ENCANA™

EnCana Oil & Gas (USA) Inc.

EnCana Oil & Gas (USA) Inc.
370 – 17th Street
Suite 1700
Denver, CO 80202

tel: 720-876-5339
fax: 720-876-6339
www.encana.com

February 3, 2009

Diana Mason
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

RE: Middle Mesa Fed 25-31-29-24
Section 25, T29S R24E
San Juan County, UT

Dear Ms. Mason:

EnCana Oil & Gas (USA) Inc. is requesting approval to directionally drill the subject well per the Utah Department of Natural Resources, Division of Oil, Gas and Mining Applicable Rules R649-3-11. Please find the following information as required for our proposed Middle Mesa Fed 25-31-29-24 well:

- EnCana Oil & Gas (USA) Inc., owns all oil & gas within 460' of the intended well bore.
- Surface and Bottom Hole are located on Federal Lease No. UTU-76053 and within the Middle Mesa Unit.
- NWSW, Section 25, T29S R24E, San Juan County, Utah.
- Location plat with surface and bottom hole locations attached.
- Proposed Directional Report attached.

EnCana is drilling this well as a directional well do to geologic conditions above the bottom hole target.

If you have any questions or need additional information, I can be reached at (720) 876-5339.

Sincerely,

Jevin Croteau
Regulatory Analyst

Attachment

RECEIVED
FEB 11 2009
DIV. OF OIL, GAS & MINING

CONFIDENTIAL
TIGHT HOLE

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO:	6. SURFACE:
UTU-76053	Federal

1A. TYPE OF WORK: DRILL ☑ REENTER ☐ DEEPEN ☐

7. IF INDIAN, ALLOTTEE OR TRIBE NAME:

B. TYPE OF WELL: OIL ☐ GAS ☑ OTHER _____ SINGLE ZONE ☐ MULTIPLE ZONE ☑

8. UNIT or CA AGREEMENT NAME: Middle Mesa Unit

2. NAME OF OPERATOR: EnCana Oil & Gas (USA) Inc.

9. WELL NAME and NUMBER: Middle Mesa Fed 25-31-29-24

3. ADDRESS OF OPERATOR: 370 17th St, Suite 1700 CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (720) 876-5339

10. FIELD AND POOL, OR WILDCAT: ~~Wildcat~~ Undesignated

4. LOCATION OF WELL (FOOTAGES) 654660 X 4234968 Y 38.251294 -109.232502
AT SURFACE: 2361' FSL & 900' FWL 654731 X 4234989 Y 38.251469 -109.231690
AT PROPOSED PRODUCING ZONE: 2422' FSL & 1133' FWL

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 25 29S 24E S

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 4.2 Miles South of La Sal, Utah

12. COUNTY: San Juan

13. STATE: UTAH

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)	16. NUMBER OF ACRES IN LEASE:	17. NUMBER OF ACRES ASSIGNED TO THIS WELL:
214' BHL	480.59	40
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)	**19. PROPOSED DEPTH:**	**20. BOND DESCRIPTION:**
1970' BHL	6,282	RLB0001191
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):	**22. APPROXIMATE DATE WORK WILL START:**	**23. ESTIMATED DURATION:**
6736.2 GR	6/1/2009	30 Days

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12 1/4	9 5/8	J-55	36#	2,600	Class G + 2% gel	750sx	2.09 cuft/sx	12.5#
8 3/4	5 1/2	I-80	17#	6,282	Class G 50/50 Poz	1000sx	1.43 cuft/sx	13#

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
☑ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
☑ COMPLETE DRILLING PLAN
☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Jevin Croteau TITLE Regulatory Analyst

SIGNATURE _____ DATE 2/5/09

RECEIVED
FEB 11 2009
DIV. OF OIL, GAS & MINING

(This space for State use only)

Approved by the
Utah Division of
Oil, Gas and Mining

API NUMBER ASSIGNED: 43-037-31903

APPROVAL:

Date: 02-18-09

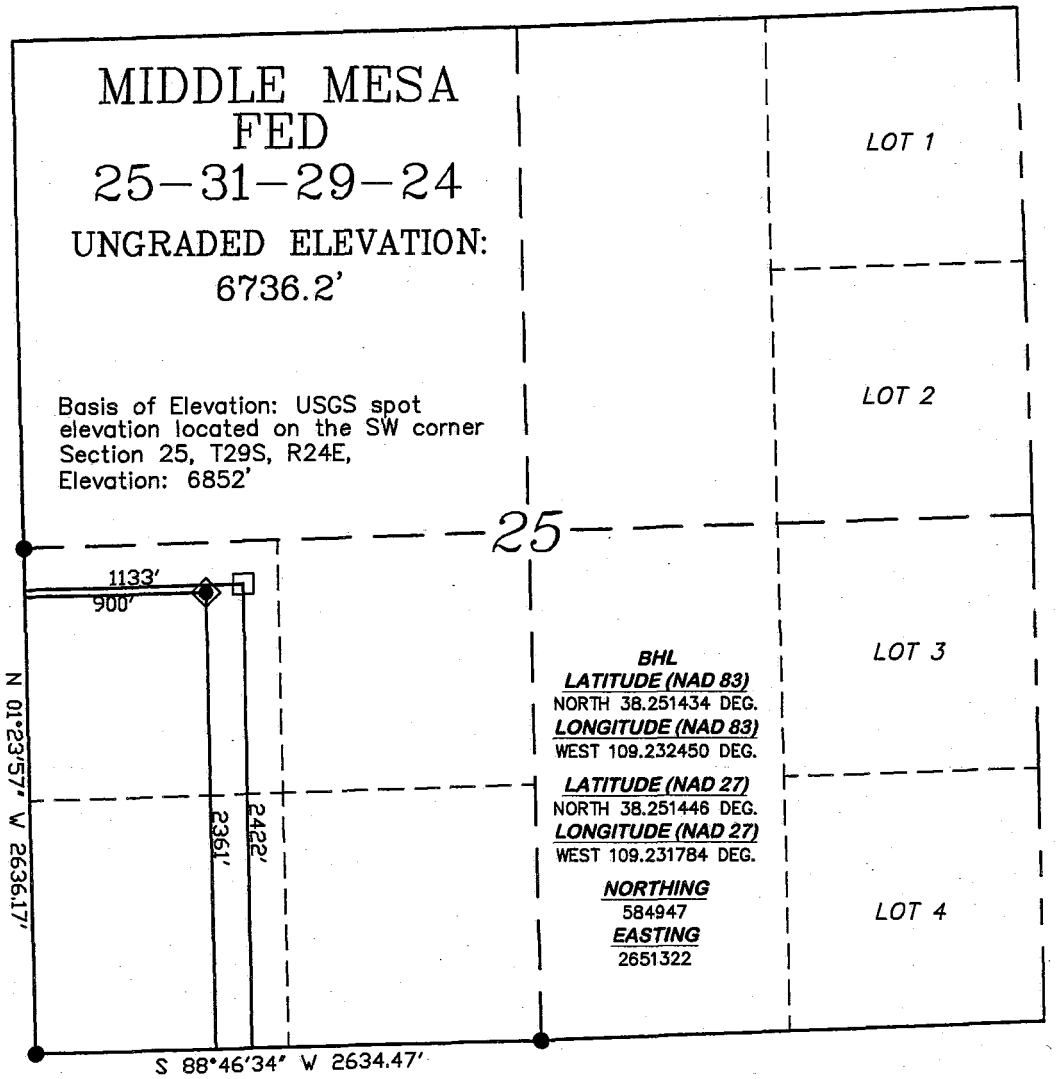
By: _____

(11/2001)

Federal Approval of this Action is Necessary

(See Instructions on Reverse Side)

R. 24 E.



N

SCALE: 1" = 1000'

T. 29 S.

LATITUDE (NAD83)
NORTH 38.251326 DEG.
LONGITUDE (NAD83)
WEST 109.233130 DEG.

LATITUDE (NAD27)
NORTH 38.251338 DEG.
LONGITUDE (NAD27)
WEST 109.232464 DEG.

NORTHING
584903.30
EASTING
2651127.42

BASIS OF BEARING/DATUM
SPCS UT SOUTH (NAD 27)

1000 500 0 1000 2000
SCALE FEET

SURVEYOR'S STATEMENT

I, Clement R. Williams, of Rock Springs, Wyoming, hereby state: This map was made from notes taken during an actual survey under my direct supervision on OCTOBER 23, 2008, *and it correctly shows the location of* MIDDLE MESA FEDERAL 25-31-29-24.

NOTES

- ◈ WELL LOCATION
- □ BOTTOM HOLE LOC. (APPROX.)
- ● FOUND MONUMENT (BC)

REGISTERED LAND SURVEYOR
No. 02-177178-2201
CLEMENT R. WILLIAMS
STATE OF UTAH

Clement R. Williams
UTAH PLS No. 177178-2201
11/17/08

EXHIBIT 1

DRG RIFFIN & ASSOCIATES, INC.	***PLAT OF DRILLING LOCATION FOR ENCANA OIL & GAS (USA) INC.***
1414 ELK ST., SUITE 202 ROCK SPRINGS, WY 82901 (307) 362-5028	***SCALE: 1" = 1000'*** ***JOB No. 15800*** ***REVISED: 11/13/08 - JMB***
	2361' F/SL & 900' F/WL, SECTION 25, T. 29 S., R. 24 E., SALT LAKE B.M. SAN JUAN COUNTY, UTAH

JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Water Rights

MICHAEL R. STYLER
Executive Director

JERRY D. OLDS
State Engineer/Division Director

ORDER OF THE STATE ENGINEER
For Temporary Change Application Number 05-6 (t34402)

Temporary Change Application Number 05-6 (t34402) in the name of Charles Hardison Redd was filed on May 5, 2008, to change the point of diversion, place of use and change the nature of use of 20.00 acre-feet (af) of water as evidenced by Water Right Number 05-6. Heretofore, the water has been diverted from a surface source located North 3,420 feet and West 2,851 feet from the SE Corner of Section 7, T28S, R25E, SLB&M. The water has been used for the irrigation of 5.00 acres from April 1 to October 31. The water was used in all or portion(s) of Section 35, T28S, R25E, SLB&M; Section 2 and 11, T29S, R24E, SLB&M.

Hereafter, it is proposed to divert 20.00 acre-feet of water from surface source located North 712 feet and East 627 feet from the SW Corner of Section 8, T28S, R25E, SLB&M. The water is to be used for drilling work for oil and gas wells and road construction and maintenance. The place of use of the water is being changed to all or portion(s) of Sections 2,8, 11, 14 and 27, T29S, R24E, SLB&M; Section 8, T29S, R26E, SLB&M and Sections 4, 9, 10, 14 and 15, T30S, R25E, SLB&M.

Notice of this temporary change application was not published in a newspaper. It is the opinion of the State Engineer that it meets the criteria of Section 73-3-3 of the Utah Code for the approval of temporary change applications.

It is the opinion of the State Engineer that this change application can be approved without adversely affecting existing rights. The applicant is put on notice that diligence must be shown in pursuing the development of this application which can be demonstrated by the completion of the project as proposed in the change application.

It is, therefore, **ORDERED** and Temporary Change Application Number 05-6 (t34402) is hereby **APPROVED** subject to prior rights.

This temporary change application shall expire one year from the date hereof.

It is the applicant's responsibility to maintain a current address with this office and to update ownership of their water right. Please notify this office immediately of any change of address or for assistance in updating ownership.

Inasmuch as this application proposes to divert water from a surface source, the applicant is required to contact the Stream Alteration Section of the Division of Water Rights at 801-538-7240 to obtain a Stream Alteration permit in addition to this Temporary Change Application.

Your contact with this office, should you need it, is with the Southeastern Regional Office. The telephone number is 435-613-3750.

This Order is subject to the provisions of Administrative Rule R655-6-17 of the Division of Water Rights and to Sections 63-46b-13 and 73-3-14 of the Utah Code which provide for filing either a Request for Reconsideration with the State Engineer or an appeal with the appropriate District Court. A Request for Reconsideration must be filed with the State Engineer within 20 days of the date of this Order. However, a Request for Reconsideration is not a prerequisite to filing a court appeal. A court appeal must be filed within 30 days after the date of this Order, or if a Request for Reconsideration has been filed, within 30 days after the date the Request for Reconsideration is denied. A Request for Reconsideration is considered denied when no action is taken 20 days after the Request is filed.

Dated this 9 day of June, 2008.

Marc Stilson, P.E., Regional Engineer

Mailed a copy of the foregoing Order this 9 day of June, 2008 to:

Charles Hardison Redd
P.O.Box 278
La Sal UT 84530

BY: _____
Kelly K. Horne, Applications/Records Secretary

ONSHORE OIL & GAS ORDER NO. 1

Approval of Operations on Onshore

Federal and Indian Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. FORMATION TOPS

The estimated tops of important geologic markers are as follows:

Formation	Depth (TVD)	Subsea
Burro Canyon	Surface	6736
Entrada	1012	5744
Navajo	1275	5481
Kayenta	1812	4944
Wingate	2028	4728
Chinle	2335	4421
Cutler	2643	4113
Honaker Trail	4404	2352
La Sal	5806	950
La Sal Shale	6147	609
Hatch	6232	524
TD	6282	474

2. ANTICIPATED DEPTH OF WATER, OIL& GAS

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations as expected to be encountered are as follows:

Substance	Formation	Depth (TVD)
Gas	Honaker Trail	4404
Gas	La Sal	5806
Gas	La Sal Shale	6147

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All indications of usable water (10,000 ppm or less TDS) shall be reported to the Durango Field Office prior to running the next string of casing or before plugging orders are requested, whichever occurs first.

If noticeable water flows are detected, samples will be submitted to the BLM along with any water analyses conducted.

3. BOP EQUIPMENT/REQUIREMENTS

EnCana Oil & Gas (USA), Inc.'s minimum specification for pressure control equipment are as follows:

Ram Type: 11" Hydraulic double ram with annular, 3000 psi w.p.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70% of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10% in30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50% of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

a. when initially installed:
b. whenever any seal subject to test pressure is broken
c. following related repairs: and
d. at 30 day intervals

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) shall be held open or the ball removed.

Annular preventers (if used) shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests. Pressure tests shall apply to all related well control equipment.

BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The BLM in Moab, Utah shall be notified, at least 24 hours prior to initiating the pressure test, in order to have a BLM representative on location during pressure testing.

a. The size and rating of the BOP stack is shown on the attached diagram.

b. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.

c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.

d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

4. CASING AND CEMENTING PROGRAMS

a. The BLM in Moab, Utah shall be notified at least 24 hours prior to the running and cementing of all casing strings, in order to have a BLM representative on location while running and cementing all casing strings.

b. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it well be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.

c. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).

d. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data).

e. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.

f. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

g. All casing except the conductor casing, shall be new or reconditioned and tested used

casing that meets or exceeds API standards for new casing.

h. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.

i. All indication of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.

j. Surface casing shall have centralizers on the bottom 3 joints of casing (a minimum of one centralizer per joint starting with the shoe joint).

k. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.

l. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield. If pressure declines more than 10% in 30 minutes, corrective actions shall be taken.

m. On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

n. The proposed casing program will be as follows:

Purpose	Depth (MD)	Hole Size	O.D.	Weight	Grade	Type	New/Used
Surface	0'-2603'	12-1/4"	9-5/8"	36#	J-55	ST&C	New
Production	0'-6287'	8-3/4"	5-1/2"	17#	I-80	LT&C	New

o. Casing design subject to revision based on geologic conditions encountered.

p. The cement program will be as follows:

Surface	Type and Amount
0-2603'	Lead: 550 sx Class G 50/50 Poz + 2% gel, 2.09 cuft/sx yield, 12.5 ppg Tail: 200 sx Class G, 1.15 cuft/sx yield, 15.8 ppg
Production	**Type and Amount**
4000'-6287'	1000 sx Class G 50/50 Poz, 1.43 cuft/sx yield, 13 ppg

q. The BLM in Moab, Utah should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.

r. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.

s. The following reports shall be filed with the District Manager within 30 days after the work is completed.

   1. Progress reports, Form 3160-5, "Sundry Notices and Reports on Wells", must include complete information concerning:

      i. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.

      ii. Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.

t. Auxiliary equipment to be used is as follows:

   1. Kelly cock
   2. No bit float is deemed necessary.
   3. A sub with a full opening valve.

5. MUD PROGRAM

a. The proposed circulating mediums to be employed in drilling are as follows:

Interval (MD)	Mud Type	Mud Wt.	Visc.	F/L
0-4300'	Water	+/- 8.5	+/- 27	N.C.
4300'-TD	LSND	+/- 9.0	+/- 40-50	+/- 8

b. Mud monitoring equipment to be used is as follows: Periodic checks of the mud system will be made each tour. The mud level will be checked visually.

   1. There will be sufficient mud on location to ensure well control.
   2. A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss andPh.

c. Hazardous substances specifically listed by the EPA as a hazardouswaste or demonstrating a characteristic of a hazardous waste will not be used in drilling testing or completion operations.

6. EVALUATION PROGRAM – TESTING, LOGGING AND CORING

The anticipated type and amount of testing, logging and coring are as follows:

a. No drill stem tests are anticipated, however, if DST's are run, the following requirements will be adhered to:

   Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DST's may be accomplished day or night.

   A DST that flows to the surface with evidence of hydrocarbons shall be reversed out of the testing string under controlled surface conditions. This would involve providing some means for reverse circulation.

   Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

   All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

b. The logging program will be made up of two runs. The first will consist of a GR/AIT/NEUT-DEN w/ PE from TD to base of the surface casing. The second will consist of a Dipole Sonic from TD to base of the surface casing.

c. No whole cores are anticipated. Depending upon evaluation of the open hole logs, several sidewall cores may be obtained in formations of interest.

d. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later that 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, work over, and/or completions, will be filed with form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).

e. The anticipated completion program is as follows:

   Perforate zones of interest, fracture stimulate as necessary and place on production.

7. ABNORMAL PRESSURES AND H2S GAS

a. The maximum expected bottom hole pressure is 2400 psi (pressure gradient of 0.396 psi/ft). Source of pressure estimate was from data obtained for the La Sal geological formation in the Middle Mesa State 36-14-29-24 (well is located apprx. 2 miles northwest of the proposed location).

b. No hydrogen sulfide gas is anticipated; no abnormal pressures or temperatures are anticipated.

c. As per Onshore Order No. 6, III.A.2b., if hydrogen sulfide is present the "operator shall

initially test the H2S concentration of the gas stream for each well or production facility ..." Submit the results of this test within 30 days of filing Form 3160-4, "Well Completion or Recompletion Report and Log".

8. OTHER INFORMATION AND NOTIFICATION REQUIREMENTS

a. The BLM in Moab (435-259-2100) shall be notified at least 24 hours prior to:
   1. Spudding the well
   2. Running the casing strings and cementing
   3. BOP tests/casing pressured tests.

b. Within 30 days of completion of the well as a dry hole or producer, a copy of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, work over, and/or completions operations will be filed with a Completion Report (Form 3160-4), in triplicate. Submit casing/cementing reports and other subsequent reports via Sundry Notice Form 3160-5.

c. In accordance with 43 CFR 3162.4-3, this well shall be reported on MMS Form 3160, "Monthly Report of Operations", starting with the month in which drilling operations commence, and continuing each month until the well is physically plugged and abandoned.

d. The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the dateon which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or the date on which gas is first measured through permanent metering facilities, whichever first occurs.

e. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during the initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day authorized period.

f. A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9.d), shall be submitted to the appropriate District Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4).

g. Off-lease measurement and commingling of production must be approved by the authorized officer.

h. Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR

3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a leasesite or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notie, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement inthe manner and time allowed, you shall be liable for a civil penalty of up to $10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

i. The BLM in Moab (435-259-2100) shall be notified within 5 business days of production start-up if either of the following two conditions occur:

   1. The well is placed on production, or
   2. The well resumes production after being off of production for more than 90 days.

   "Placed on production" means shipment or sales of hydrocarbons from temporary tanks, production into permanent facilities or measurement through permanent facilities Notification may be written or verbal<u>with written follow-up within 15 days.</u>

j. Drilling is planned to commence upon approval. Completion will begin approximately 30 days after drilling is completed.

k. It is anticipated that the drilling of this well will take approximately 10-15 days.

l. No location will be constructed or moved, no well will be plugged, and no drilling or work over equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to besuspended, prior approval of the AO will be obtained and notification given before resumption of operations.

m. <u>Immediate Report:</u> Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

n. If a replacement rig is contemplated for completion operations, a"Sundry Notice" Form 3160-5 to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

o. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.

   If underground injection is proposed, an EPA or State UIC permit shall also be required and submitted to this office.

p. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and inemergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form

3160-5 will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

q. As per 43 CFR 3162.6, each drilling producing or abandoned well shall be identified with the operator's name, the lease serial number, the well number, and the surveyed description of the well (either footages or the quarter-quarter section, the section, township and range). The Indian lessor's name may also be required. All markings shall be legible and in a conspicuous place.

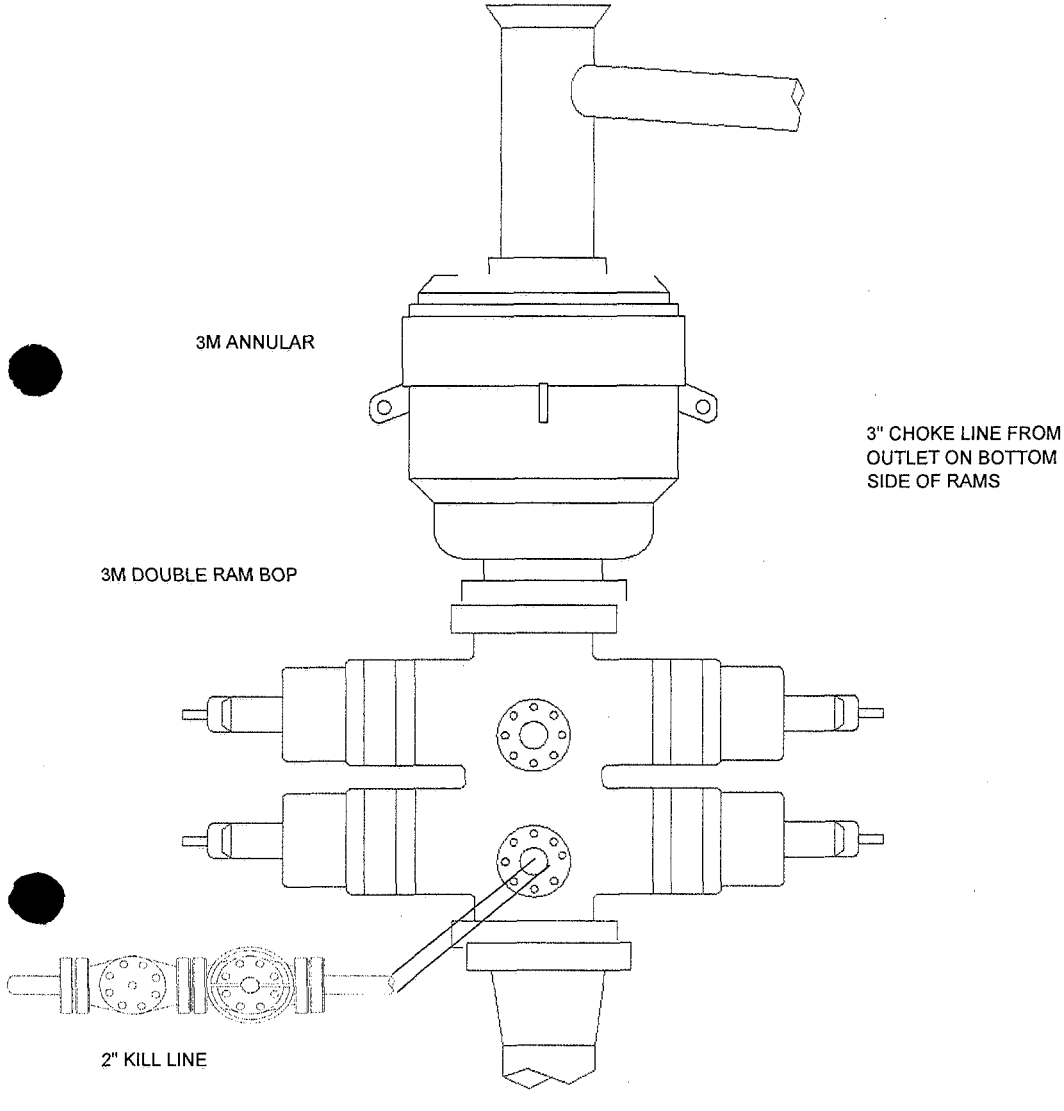
r. Bureau of Land Management, Moab Field Office Address and Contacts:

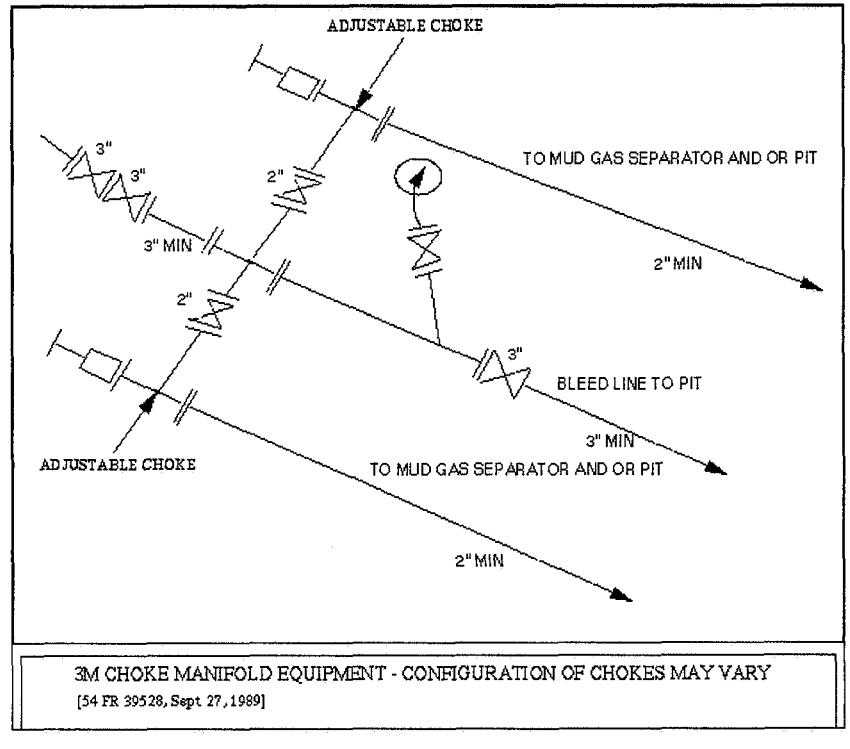
Address: 82 East Dogwood Ave. Phone: 435-259-2100
Moab, Utah 84532

Business Hours: 7:45 a.m. to 4:30 p.m. (Mountain Time), Mon-Fri.

After Hours:

Jack Johnson	Engineering Technician	435-259-2129
Eric Jones	Petroleum Engineer	435-259-2117





3M CHOKE MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY
[54 FR 39528, Sept 27, 1989]

ENCANA

RENCE INFORMATION

Co-ordinate (N/E) Reference: Well Well #1, Grid North
Vertical (TVD) Reference: RKB @ 6756.0ft (TBD)
Section (VS) Reference: Slot - (0.0N, 0.0E)
Measured Depth Reference: RKB @ 6756.0ft (TBD)
Calculation Method:

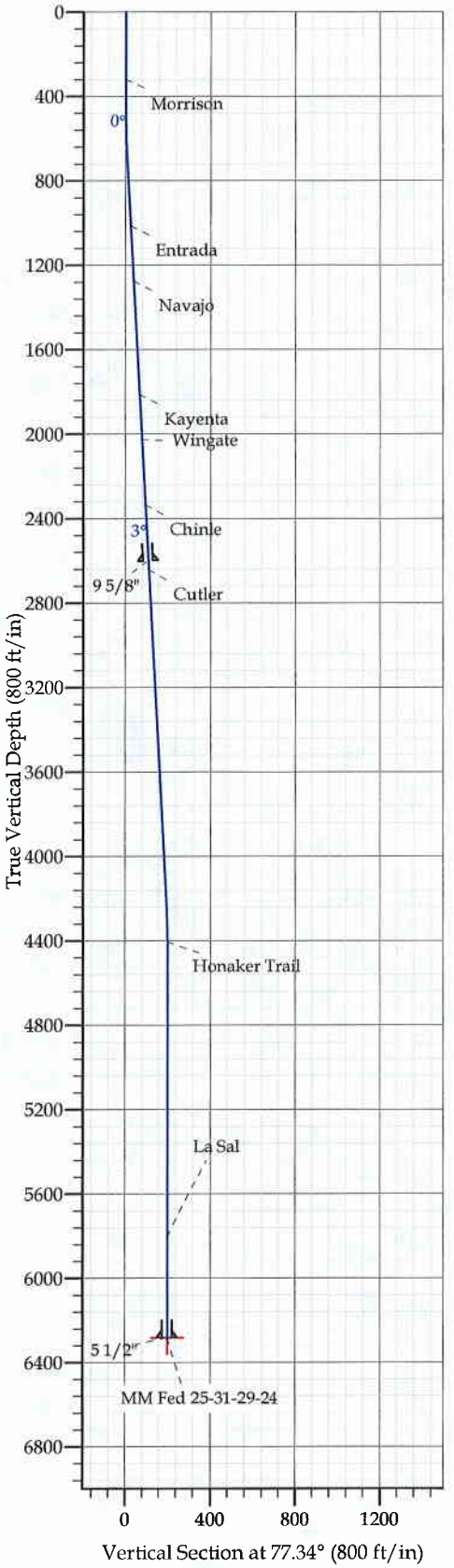
WELL DETAILS: Well #1

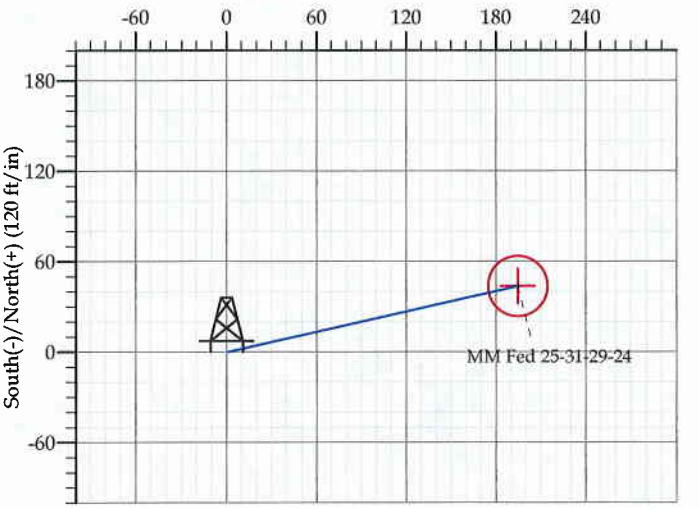
Ground Level: 6736.0

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.0	0.0	584903.30	2651127.42	11° 59' 40.363 N	108° 55' 28.317 W	

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	500.0	0.00	0.00	500.0	0.0	0.0	0.00	0.00	0.0	
3	653.1	3.06	77.34	653.0	0.9	4.0	2.00	77.34	4.1	
4	4234.2	3.06	77.34	4229.0	42.8	190.6	0.00	0.00	195.3	
5	4387.3	0.00	0.00	4382.0	43.7	194.6	2.00	180.00	199.4	
6	6287.3	0.00	0.00	6282.0	43.7	194.6	0.00	0.00	199.4	MM Fed 25-31-29-24





FORMATION TOP DETAILS

TVDPath	MDPath	Formation
318.0	318.0	Morrison
1012.0	1012.6	Entrada
1275.0	1276.0	Navajo
1812.0	1813.7	Kayenta
2028.0	2030.0	Wingate
2335.0	2337.5	Chinle
2643.0	2645.9	Cutler
4404.0	4409.3	Honaker Trail
5806.0	5811.3	La Sal
6147.0	6152.3	La Sal Shale
6232.0	6237.3	Hatch

CASING DETAILS

TVD	MD	Name	Size
2600.0	2602.9	9 5/8"	9.625
6282.0	6287.3	5 1/2"	5.500

EnCana Corporation

Planning Report

Database:	EDM	**Local Co-ordinate Reference:**	Well Well #1
Company:	DJ/Paradox/WTX	**TVD Reference:**	RKB @ 6756.0ft (TBD)
Project:	La Sal	**MD Reference:**	RKB @ 6756.0ft (TBD)
Site:	Middle Mesa 25-31-29-24	**North Reference:**	Grid
Well:	Well #1	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Project	La Sal		
Map System:	US State Plane 1983	**System Datum:**	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	Utah Southern Zone		

Site	Middle Mesa 25-31-29-24				
Site Position:		**Northing:**	584,903.30 ft	**Latitude:**	11° 59' 40.363 N
From:	Map	**Easting:**	2,651,127.42 ft	**Longitude:**	108° 55' 28.317 W
Position Uncertainty:	ft	**Slot Radius:**	in	**Grid Convergence:**	1.58 °

Well	Well #1					
Well Position	**+N/-S**	0.0 ft	**Northing:**	584,903.30 ft	**Latitude:**	11° 59' 40.363 N
	+E/-W	0.0 ft	**Easting:**	2,651,127.42 ft	**Longitude:**	108° 55' 28.317 W
Position Uncertainty		ft	**Wellhead Elevation:**	ft	**Ground Level:**	6,736.0 ft

Wellbore	Wellbore #1				
Magnetics	**Model Name**	**Sample Date**	**Declination (°)**	**Dip Angle (°)**	**Field Strength (nT)**
	IGRF200510	01/09/2009	8.24	34.24	36,053

Design	Design #1				
Audit Notes:					
Version:		**Phase:**	PROTOTYPE	**Tie On Depth:**	0.0
Vertical Section:	**Depth From (TVD) (ft)**	**+N/-S (ft)**	**+E/-W (ft)**	**Direction (°)**	
	0.0	0.0	0.0	77.34	

Plan Sections

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
500.0	0.00	0.00	500.0	0.0	0.0	0.00	0.00	0.00	0.00	
653.1	3.06	77.34	653.0	0.9	4.0	2.00	2.00	0.00	77.34	
4,234.2	3.06	77.34	4,229.0	42.8	190.6	0.00	0.00	0.00	0.00	
4,387.3	0.00	0.00	4,382.0	43.7	194.6	2.00	-2.00	0.00	180.00	
6,287.3	0.00	0.00	6,282.0	43.7	194.6	0.00	0.00	0.00	0.00	MM Fed 25-31-29-24

Database:	EDM	**Local Co-ordinate Reference:**	Well Well #1
Company:	DJ/Paradox/WTX	**TVD Reference:**	RKB @ 6756.0ft (TBD)
Project:	La Sal	**MD Reference:**	RKB @ 6756.0ft (TBD)
Site:	Middle Mesa 25-31-29-24	**North Reference:**	Grid
Well:	Well #1	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
318.0	0.00	0.00	318.0	0.0	0.0	0.0	0.00	0.00	0.00
Morrison									
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	2.00	77.34	600.0	0.4	1.7	1.7	2.00	2.00	0.00
653.1	3.06	77.34	653.0	0.9	4.0	4.1	2.00	2.00	0.00
700.0	3.06	77.34	699.9	1.4	6.4	6.6	0.00	0.00	0.00
800.0	3.06	77.34	799.7	2.6	11.6	11.9	0.00	0.00	0.00
900.0	3.06	77.34	899.6	3.8	16.9	17.3	0.00	0.00	0.00
1,000.0	3.06	77.34	999.4	5.0	22.1	22.6	0.00	0.00	0.00
1,012.6	3.06	77.34	1,012.0	5.1	22.7	23.3	0.00	0.00	0.00
Entrada									
1,100.0	3.06	77.34	1,099.3	6.1	27.3	28.0	0.00	0.00	0.00
1,200.0	3.06	77.34	1,199.1	7.3	32.5	33.3	0.00	0.00	0.00
1,276.0	3.06	77.34	1,275.0	8.2	36.4	37.4	0.00	0.00	0.00
Navajo									
1,300.0	3.06	77.34	1,299.0	8.5	37.7	38.6	0.00	0.00	0.00
1,400.0	3.06	77.34	1,398.9	9.6	42.9	44.0	0.00	0.00	0.00
1,500.0	3.06	77.34	1,498.7	10.8	48.1	49.3	0.00	0.00	0.00
1,600.0	3.06	77.34	1,598.6	12.0	53.3	54.7	0.00	0.00	0.00
1,700.0	3.06	77.34	1,698.4	13.1	58.5	60.0	0.00	0.00	0.00
1,800.0	3.06	77.34	1,798.3	14.3	63.8	65.3	0.00	0.00	0.00
1,813.7	3.06	77.34	1,812.0	14.5	64.5	66.1	0.00	0.00	0.00
Kayenta									
1,900.0	3.06	77.34	1,898.1	15.5	69.0	70.7	0.00	0.00	0.00
2,000.0	3.06	77.34	1,998.0	16.7	74.2	76.0	0.00	0.00	0.00
2,030.0	3.06	77.34	2,028.0	17.0	75.7	77.6	0.00	0.00	0.00
Wingate									
2,100.0	3.06	77.34	2,097.9	17.8	79.4	81.4	0.00	0.00	0.00
2,200.0	3.06	77.34	2,197.7	19.0	84.6	86.7	0.00	0.00	0.00
2,300.0	3.06	77.34	2,297.6	20.2	89.8	92.0	0.00	0.00	0.00
2,337.5	3.06	77.34	2,335.0	20.6	91.8	94.0	0.00	0.00	0.00
Chinle									
2,400.0	3.06	77.34	2,397.4	21.3	95.0	97.4	0.00	0.00	0.00
2,500.0	3.06	77.34	2,497.3	22.5	100.2	102.7	0.00	0.00	0.00
2,600.0	3.06	77.34	2,597.1	23.7	105.4	108.1	0.00	0.00	0.00
2,602.9	3.06	77.34	2,600.0	23.7	105.6	108.2	0.00	0.00	0.00
9 5/8"									
2,645.9	3.06	77.34	2,643.0	24.2	107.8	110.5	0.00	0.00	0.00
Cutler									
2,700.0	3.06	77.34	2,697.0	24.9	110.6	113.4	0.00	0.00	0.00
2,800.0	3.06	77.34	2,796.9	26.0	115.9	118.7	0.00	0.00	0.00
2,900.0	3.06	77.34	2,896.7	27.2	121.1	124.1	0.00	0.00	0.00
3,000.0	3.06	77.34	2,996.6	28.4	126.3	129.4	0.00	0.00	0.00
3,100.0	3.06	77.34	3,096.4	29.5	131.5	134.8	0.00	0.00	0.00
3,200.0	3.06	77.34	3,196.3	30.7	136.7	140.1	0.00	0.00	0.00
3,300.0	3.06	77.34	3,296.1	31.9	141.9	145.4	0.00	0.00	0.00
3,400.0	3.06	77.34	3,396.0	33.0	147.1	150.8	0.00	0.00	0.00
3,500.0	3.06	77.34	3,495.9	34.2	152.3	156.1	0.00	0.00	0.00

EnCana Corporation

Planning Report

Database:	EDM	**Local Co-ordinate Reference:**	Well Well #1
Company:	DJ/Paradox/WTX	**TVD Reference:**	RKB @ 6756.0ft (TBD)
Project:	La Sal	**MD Reference:**	RKB @ 6756.0ft (TBD)
Site:	Middle Mesa 25-31-29-24	**North Reference:**	Grid
Well:	Well #1	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
3,600.0	3.06	77.34	3,595.7	35.4	157.5	161.5	0.00	0.00	0.00
3,700.0	3.06	77.34	3,695.6	36.6	162.8	166.8	0.00	0.00	0.00
3,800.0	3.06	77.34	3,795.4	37.7	168.0	172.2	0.00	0.00	0.00
3,900.0	3.06	77.34	3,895.3	38.9	173.2	177.5	0.00	0.00	0.00
4,000.0	3.06	77.34	3,995.2	40.1	178.4	182.8	0.00	0.00	0.00
4,100.0	3.06	77.34	4,095.0	41.2	183.6	188.2	0.00	0.00	0.00
4,200.0	3.06	77.34	4,194.9	42.4	188.8	193.5	0.00	0.00	0.00
4,234.2	3.06	77.34	4,229.0	42.8	190.6	195.3	0.00	0.00	0.00
4,300.0	1.75	77.34	4,294.8	43.4	193.3	198.1	2.00	-2.00	0.00
4,387.3	0.00	0.00	4,382.0	43.7	194.6	199.4	2.00	-2.00	0.00
4,400.0	0.00	0.00	4,394.7	43.7	194.6	199.4	0.00	0.00	0.00
4,409.3	0.00	0.00	4,404.0	43.7	194.6	199.4	0.00	0.00	0.00
Honaker Trail									
4,500.0	0.00	0.00	4,494.7	43.7	194.6	199.4	0.00	0.00	0.00
4,600.0	0.00	0.00	4,594.7	43.7	194.6	199.4	0.00	0.00	0.00
4,700.0	0.00	0.00	4,694.7	43.7	194.6	199.4	0.00	0.00	0.00
4,800.0	0.00	0.00	4,794.7	43.7	194.6	199.4	0.00	0.00	0.00
4,900.0	0.00	0.00	4,894.7	43.7	194.6	199.4	0.00	0.00	0.00
5,000.0	0.00	0.00	4,994.7	43.7	194.6	199.4	0.00	0.00	0.00
5,100.0	0.00	0.00	5,094.7	43.7	194.6	199.4	0.00	0.00	0.00
5,200.0	0.00	0.00	5,194.7	43.7	194.6	199.4	0.00	0.00	0.00
5,300.0	0.00	0.00	5,294.7	43.7	194.6	199.4	0.00	0.00	0.00
5,400.0	0.00	0.00	5,394.7	43.7	194.6	199.4	0.00	0.00	0.00
5,500.0	0.00	0.00	5,494.7	43.7	194.6	199.4	0.00	0.00	0.00
5,600.0	0.00	0.00	5,594.7	43.7	194.6	199.4	0.00	0.00	0.00
5,700.0	0.00	0.00	5,694.7	43.7	194.6	199.4	0.00	0.00	0.00
5,800.0	0.00	0.00	5,794.7	43.7	194.6	199.4	0.00	0.00	0.00
5,811.3	0.00	0.00	5,806.0	43.7	194.6	199.4	0.00	0.00	0.00
La Sal									
5,900.0	0.00	0.00	5,894.7	43.7	194.6	199.4	0.00	0.00	0.00
6,000.0	0.00	0.00	5,994.7	43.7	194.6	199.4	0.00	0.00	0.00
6,100.0	0.00	0.00	6,094.7	43.7	194.6	199.4	0.00	0.00	0.00
6,152.3	0.00	0.00	6,147.0	43.7	194.6	199.4	0.00	0.00	0.00
La Sal Shale									
6,200.0	0.00	0.00	6,194.7	43.7	194.6	199.4	0.00	0.00	0.00
6,237.3	0.00	0.00	6,232.0	43.7	194.6	199.4	0.00	0.00	0.00
Hatch									
6,287.3	0.00	0.00	6,282.0	43.7	194.6	199.4	0.00	0.00	0.00
5 1/2"									

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
MM Fed 25-31-29-24 - plan hits target - Circle (radius 20.0)	0.00	0.00	6,282.0	43.7	194.6	584,947.00	2,651,322.00	11° 59' 40.709 N	108° 55' 26.522 W

EnCana Corporation

Planning Report

Database:	EDM	**Local Co-ordinate Reference:**	Well Well #1
Company:	DJ/Paradox/WTX	**TVD Reference:**	RKB @ 6756.0ft (TBD)
Project:	La Sal	**MD Reference:**	RKB @ 6756.0ft (TBD)
Site:	Middle Mesa 25-31-29-24	**North Reference:**	Grid
Well:	Well #1	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (in)	Hole Diameter (in)
2,602.9	2,600.0	9 5/8"	9.625	12.250
6,287.3	6,282.0	5 1/2"	5.500	8.750

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
318.0	318.0	Morrison		0.00	
1,012.6	1,012.0	Entrada		0.00	
1,276.0	1,275.0	Navajo		0.00	
1,813.7	1,812.0	Kayenta		0.00	
2,030.0	2,028.0	Wingate		0.00	
2,337.5	2,335.0	Chinle		0.00	
2,645.9	2,643.0	Cutler		0.00	
4,409.3	4,404.0	Honaker Trail		0.00	
5,811.3	5,806.0	La Sal		0.00	
6,152.3	6,147.0	La Sal Shale		0.00	
6,237.3	6,232.0	Hatch		0.00	

WORKSHEET

APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/11/2009

API NO. ASSIGNED: 43-037-31903

WELL NAME: MIDDLE MESA FED 25-31-29-24

OPERATOR: ENCANA OIL & GAS (USA) (N2175)

PHONE NUMBER: 720-876-5339

CONTACT: JEVIN CROTEAU

PROPOSED LOCATION:

NWSW 25 290S 240E

SURFACE: 2361 FSL 0900 FWL

BOTTOM: 2422 FSL 1133 FWL

COUNTY: SAN JUAN

LATITUDE: 38.25129 LONGITUDE: -109.2325

UTM SURF EASTINGS: 654660 NORTHINGS: 4234968

FIELD NAME: UNDESIGNATED (2)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-76053

PROPOSED FORMATION: HATCH

SURFACE OWNER: 1 - Federal

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. RLB0001191)

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. 05-6)

N RDCC Review (Y/N)
(Date:)

NA Fee Surf Agreement (Y/N)

NM Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit: MIDDLE MESA

___ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

___ R649-3-3. Exception

___ Drilling Unit

Board Cause No:

Eff Date:

Siting:

✓ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS: 1- Federal Approval
2- Spacing Slip

API Number: 4303731904

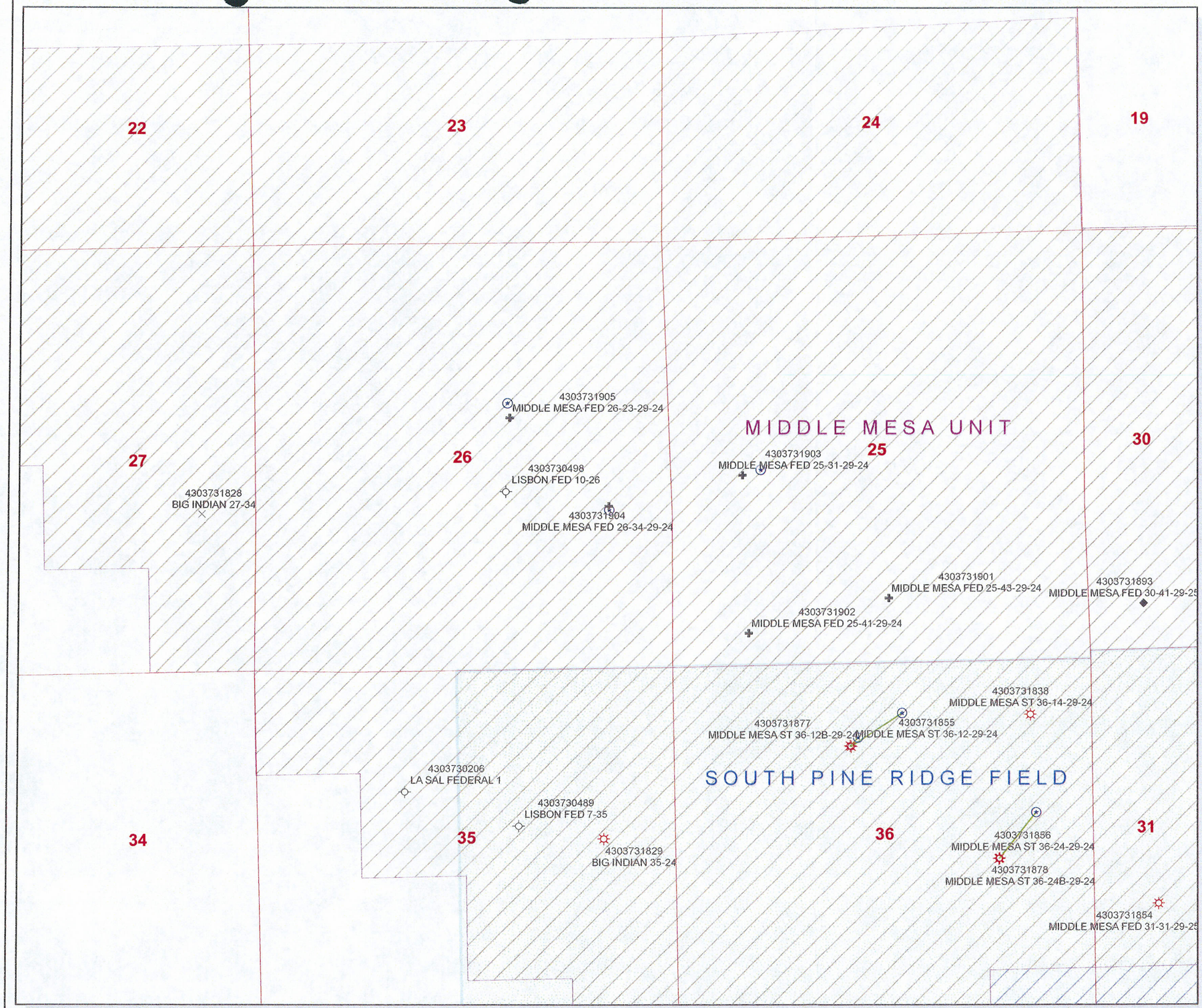
Well Name: MIDDLE MESA FED 25-34-29-24

Township 29.0 S Range 24.0 E Section 26

Meridian: SLBM

Operator: ENCANA OIL & GAS (USA) INC

Map Prepared:
Map Produced by Diana Mason



Units
STATUS
- ACTIVE
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields
STATUS
- ACTIVE
- COMBINED
- Sections

Wells Query Events
- <all other values>

GIS_STAT_TYPE
- <Null>
- APD
- DRL
- GI
- GS
- LA
- NEW
- OPS
- PA
- PGW
- POW
- RET
- SGW
- SOW
- TA
- TW
- WD
- WI
- WS

1,700 850 0 1,700 Feet

1:15,560

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

February 17, 2009

Memorandum

To: Assistant Field Office Manager Resources,
Moab Field Office

From: Michael Coulthard, Petroleum Engineer

Subject: 2009 Plan of Development Middle Mesa Unit, San Juan County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2009 within the Middle Mesa Unit, San Juan County, Utah.

API #	WELL NAME	LOCATION
(Proposed PZ Hatch)		
43-037-31901	Middle Mesa Fed 25-43-29-24	Sec 25 T29S R24E 0759 FSL 2531 FEL
43-037-31902	Middle Mesa Fed 25-41-29-24	Sec 25 T29S R24E 0360 FSL 0960 FWL
43-037-31903	Middle Mesa Fed 25-31-29-24	Sec 25 T29S R24E 2361 FSL 0900 FWL
		BHL Sec 25 T29S R24E 2422 FSL 1133 FWL
43-037-31904	Middle Mesa Fed 26-34-29-24	Sec 26 T29S R24E 2011 FSL 0789 FEL
		BHL Sec 26 T29S R24E 1961 FSL 0782 FEL
43-037-31905	Middle Mesa Fed 26-23-29-24	Sec 26 T29S R24E 2157 FNL 2036 FEL
		BHL Sec 26 T29S R24E 1970 FNL 2057 FEL
43-037-31906	Middle Mesa Fed 31-44-29-25	Sec 31 T29S R25E 0587 FSL 1207 FEL
		BHL Sec 31 T29S R25E 0620 FSL 0612 FEL
43-037-31907	Middle Mesa Fed 31-33-29-25	Sec 31 T29S R25E 1873 FSL 1795 FEL
43-037-31908	Middle Mesa Fed 05-08-30-25	Sec 05 T30S R25E 0722 FNL 1034 FEL

This office has no objection to permitting the well at this time.

/s/ Michael L. Coulthard

bcc: File – Middle Mesa Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

February 18, 2009

Encana Oil & Gas (USA) Inc.
370 17th St., Ste. 1700
Denver, CO 80202

Re: Middle Mesa Federal 25-31-29-24 Well, Surface Location 2361' FSL, 900' FWL, NW SW, Sec. 25, T. 29 South, R. 24 East, Bottom Location 2422' FSL, 1133' FWL, NW SW, Sec. 25, T. 29 South, R. 24 East, San Juan County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-037-31903.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: San Juan County Assessor
Bureau of Land Management, Moab Office

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

Operator: Encana Oil & Gas (USA) Inc.

Well Name & Number Middle Mesa Federal 25-31-29-24

API Number: 43-037-31903

Lease: UTU-76053

Surface Location:	NW SW	**Sec.** 25	**T.** 29 South	**R.** 24 East
Bottom Location:	NW SW	**Sec.** 25	**T.** 29 South	**R.** 24 East

Conditions of Approval

1. **General**

   Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. **Notification Requirements**

   Notify the Division within 24 hours of spudding the well.

   - Contact Carol Daniels at (801) 538-5284

   Notify the Division prior to commencing operations to plug and abandon the well.

   - Contact Dustin Doucet at (801) 538-5281 (801) 733-0983 home

3. **Reporting Requirements**

   All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

6. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Form 3160-3
(August 2007)

CONFIDENTIAL
TIGHT HOLE

FORM APPROVED
OMB NO. 1004-0137
Expires: July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
UTU-76053

6. If Indian, Allottee or Tribe Name

1a. Type of Work [X] DRILL [ ] REENTER

7. If Unit or CA Agreement, Name and No.
Middle Mesa, UTU-82680X

1b. Type of Well [ ] Oil Well [X] Gas Well [ ] Other [ ] Single Zone [X] Multiple Zone

8. Lease Name and Well No.
Middle Mesa Fed 25-31-29-24

2. Name of Operator
EnCana Oil & Gas (USA) Inc.

9. API Well No.
43037 31903

3a. Address
370 17th St., Suite 1700, Denver CO 80202

3b. Phone No. *(include area code)*
720-876-5339

10. Field and Pool, or Exploratory
Wildcat

4. Location of well *(Report location clearly and In accordance with any State requirements.*)*
At surface
2361' FSL & 900' FWL
At proposed prod. zone **2422' FSL & 1133' FWL**

11. Sec., T., R., M., or Blk. And Survey or Area
Sec. 25, T29S-R24E

14. Distance in miles and direction from nearest town or post office*
Approximately 4.2 Miles South of La Sal, UT

12. County or Parish
San Juan

13. State
Utah

15. Distance from proposed* location to nearest property or lease line, ft. **214'** BHL
(Also to nearest drlg unit line, if any) **5021'** BHL

16. No. of Acres in lease
480.59

17. Spacing Unit dedicated to this well
40 acres

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **1970'** BHL

19. Proposed Depth
6282' TVD

20. BLM/ BIA Bond No. on file
UT1005

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
6736.2' GR

22. Aproximate date work will start*
01-Jun-09

23. Estimated Duration
30 Days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by existing bond on file (see item 20 above).
5. Operator certification.
6. Such other site specific information and/ or plans as may be required by the BLM.

25. Signature
Name *(Printed/ Typed)* **Jevin Croteau**
Date 2/5/09

Title
Regulatory Analyst

Approved By *(Signature)* /s/
Name *(Printed/ Typed)* /s/
Date 1/6/2010

Title Assistant Field Manager, Division of Resources
Office Division of Resources Moab Field Office

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle theapplicant to conduct operations thereon.
Conditions of approval, if any, are attached.

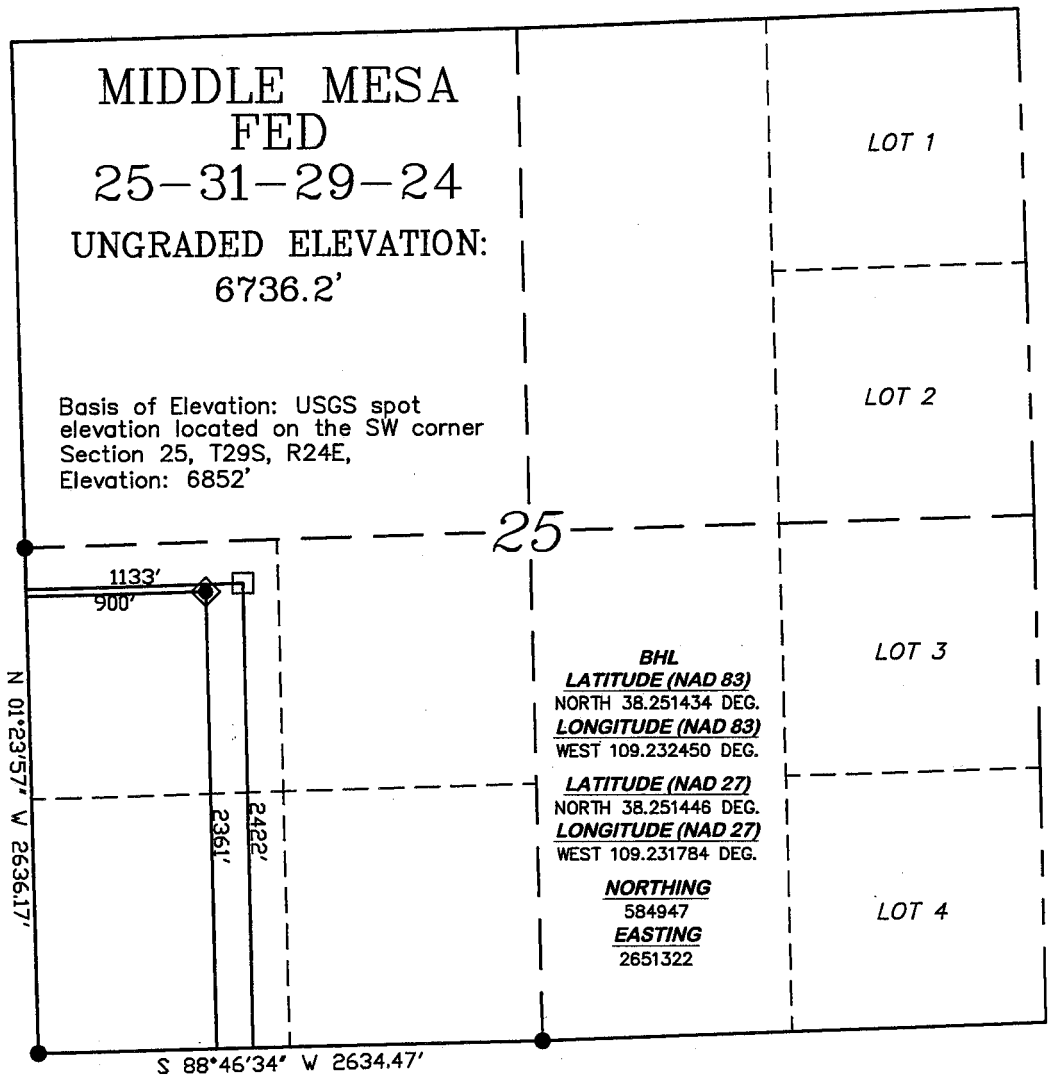
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)
(Instructions on page 2)

CONDITIONS OF APPROVAL ATTACHED

RECEIVED
JAN 11 2010
DIV. OF OIL, GAS & MINING

R. 24 E.



N

SCALE: 1" = 1000'

T. 29 S.

LATITUDE (NAD83)
NORTH 38.251326 DEG.
LONGITUDE (NAD83)
WEST 109.233130 DEG.

LATITUDE (NAD27)
NORTH 38.251338 DEG.
LONGITUDE (NAD27)
WEST 109.232464 DEG.

NORTHING
584903.30
EASTING
2651127.42

BASIS OF BEARING/DATUM
SPCS UT SOUTH (NAD 27)

1000 500 0 1000 2000
SCALE FEET

SURVEYOR'S STATEMENT

I, Clement R. Williams, of Rock Springs, Wyoming, hereby state: This map was made from notes taken during an actual survey under my direct supervision on OCTOBER 23, 2008, *and it correctly shows the location of* MIDDLE MESA FEDERAL 25-31-29-24.

REGISTERED LAND SURVEYOR No. 92-177178-2201 CLEMENT R. WILLIAMS STATE OF UTAH

Clement R. Williams
UTAH PLS No. 177178-2201
11/17/08

NOTES

- ◈ WELL LOCATION
- □ BOTTOM HOLE LOC. (APPROX.)
- ● FOUND MONUMENT (BC)

EXHIBIT 1

DRG GRIFFIN & ASSOCIATES, INC.	**PLAT OF DRILLING LOCATION FOR ENCANA OIL & GAS (USA) INC.**
1414 ELK ST., SUITE 202 ROCK SPRINGS, WY 82901 (307) 362-5028	SCALE: 1" = 1000' JOB No. 15800 REVISED: 11/13/08 - JMB
	2361' F/SL & 900' F/WL, SECTION 25, T. 29 S., R. 24 E., SALT LAKE B.M. SAN JUAN COUNTY, UTAH

EnCana Oil & Gas (USA), Inc.
Middle Mesa Federal 25-31-29-24
Lease UTU-76053
Middle Mesa Unit (UTU-82680-X)
NW/SW Section 25, T29S, R24E
San Juan County, Utah

A COMPLETE COPY OF THIS APPROVED PERMIT and Conditions of Approval shall be maintained on location during all construction and drilling operations, and shall be available to contractors to ensure compliance.

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that EnCana Oil & Gas (USA), Inc. is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by **UT1005** (Principal – EnCana Oil & Gas (USA), Inc.) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

This permit will be valid for a period of two years from the date of approval. An extension of this permit will be considered only if a written request is received prior to APD expiration. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. Failure to comply with the provisions of this permit, including applicable regulations, stipulations, and/or approval conditions, will be considered a violation subject to the enforcement provisions of 43 CFR Subpart 3163.

A. DRILLING PROGRAM

1. The proposed 3M BOP system is adequate for anticipated conditions. Testing to 2M standards is acceptable. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.

2. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOGM) is required before conducting any surface disturbing activities.

3. Drilling reports, which describe the activities of each day, shall be submitted to the BLM Moab Field Office on a weekly, or more frequent, basis. In addition to a daily summary of activities, drilling reports shall include the drilling fluid weight, details of casing and cement, water flows, lost circulation zones and any other information that would contribute to our understanding of drilling conditions.

4. Submit a Well Completion Report (Form 3160-4) within 30 days of completing the well. Please invest the necessary energy to thoroughly and accurately describe the well completion.

B. Surface

Site Specific COAs

Middle Mesa Federal 25-43-29-24

1. Due to a raptor nest, no permanent facilities shall be constructed/installed on this location. Facilities shall be located on an adjacent or nearby location.

Middle Mesa Federal 31-11-29-25

1. The operator shall maintain a 50' undisturbed vegetated buffer from the drainage to the SE corner of the pad.

Middle Mesa Federal 31-22-29-25

1. All earth moving activities associated with construction of the access corridor servicing the well in T29S R25E Section 31 will be monitored by an archeologist who meets or exceed the qualification standards recommended by the Secretary of the Interior. The Bureau has identified this area as containing the potential for buried cultural deposits.

   The archeologist shall notify the BLM, Moab Field Office of date they intend to monitor the aforementioned areas, no less than three days in advance. The BLM will require the submission of two copies of a monitoring report within 30 days of the completion of work.

   In the event previously unidentified archaeological materials are identified within the project area the standard stipulations apply for documentation of archaeological deposits.

2. This well location is in a geologic formation that has yielded scientifically significant fossils. To minimize the possibility of damaging fossil remains, a paleontological survey or paleontological monitoring shall be performed.
   - A paleontological survey, if conducted, must include the well location and access road. The survey report must be submitted to the BLM for review prior to conducting surface disturbing activities (Note: A paleontological survey was previously conducted on the Middle Mesa No. 5-10 well and access, with negative findings). Depending on the findings of a paleontological survey, monitoring may also be needed.
   - If a paleontological survey is not conducted, monitoring must be performed. The monitor must be on-site during construction of the well pad and access road to identify any vertebrate paleontological remains that may be uncovered. If a discovery is made, work must stop in the vicinity of the find. Work may continue at a distance of 100 feet away from the discovery point. The BLM must be notified promptly upon discovery of paleontological remains. An assessment of the discovery will determine its significance, and the actions necessary for protection.

Middle Mesa Federal 31-33-29-25

1. This well location is in a geologic formation that has yielded scientifically significant fossils. To minimize the possibility of damaging fossil remains, a paleontological survey or paleontological monitoring shall be performed.
   - A paleontological survey, if conducted, must include the well location and access road. The survey report must be submitted to the BLM for review prior to conducting surface disturbing activities (Note: A paleontological survey was

previously conducted on the Middle Mesa No. 5-10 well and access, with negative findings). Depending on the findings of a paleontological survey, monitoring may also be needed.

- If a paleontological survey is not conducted, monitoring must be performed. The monitor must be on-site during construction of the well pad and access road to identify any vertebrate paleontological remains that may be uncovered. If a discovery is made, work must stop in the vicinity of the find. Work may continue at a distance of 100 feet away from the discovery point. The BLM must be notified promptly upon discovery of paleontological remains. An assessment of the discovery will determine its significance, and the actions necessary for protection.

Middle Mesa Federal 31-42-29-25

1. This well location is in a geologic formation that has yielded scientifically significant fossils. To minimize the possibility of damaging fossil remains, a paleontological survey or paleontological monitoring shall be performed.
    - A paleontological survey, if conducted, must include the well location and access road. The survey report must be submitted to the BLM for review prior to conducting surface disturbing activities (Note: A paleontological survey was previously conducted on the Middle Mesa No. 5-10 well and access, with negative findings). Depending on the findings of a paleontological survey, monitoring may also be needed.
    - If a paleontological survey is not conducted, monitoring must be performed. The monitor must be on-site during construction of the well pad and access road to identify any vertebrate paleontological remains that may be uncovered. If a discovery is made, work must stop in the vicinity of the find. Work may continue at a distance of 100 feet away from the discovery point. The BLM must be notified promptly upon discovery of paleontological remains. An assessment of the discovery will determine its significance, and the actions necessary for protection.

Middle Mesa Federal 31-44-29-25

1. This well location is in a geologic formation that has yielded scientifically significant fossils. To minimize the possibility of damaging fossil remains, a paleontological survey or paleontological monitoring shall be performed.
    - A paleontological survey, if conducted, must include the well location and access road. The survey report must be submitted to the BLM for review prior to conducting surface disturbing activities (Note: A paleontological survey was previously conducted on the Middle Mesa No. 5-10 well and access, with negative findings). Depending on the findings of a paleontological survey, monitoring may also be needed.
    - If a paleontological survey is not conducted, monitoring must be performed. The monitor must be on-site during construction of the well pad and access road to identify any vertebrate paleontological remains that may be uncovered. If a discovery is made, work must stop in the vicinity of the find. Work may continue at a distance of 100 feet away from the discovery point. The BLM must be notified promptly upon discovery of paleontological remains. An assessment of the discovery will determine its significance, and the actions necessary for protection.

Middle Mesa Federal 5-8-30-25

1. This well location is in a geologic formation that has yielded scientifically significant fossils. To minimize the possibility of damaging fossil remains, a paleontological survey or paleontological monitoring shall be performed.
    - A paleontological survey, if conducted, must include the well location and access road. The survey report must be submitted to the BLM for review prior to conducting surface disturbing activities (Note: A paleontological survey was previously conducted on the Middle Mesa No. 5-10 well and access, with negative findings). Depending on the findings of a paleontological survey, monitoring may also be needed.
    - If a paleontological survey is not conducted, monitoring must be performed. The monitor must be on-site during construction of the well pad and access road to identify any vertebrate paleontological remains that may be uncovered. If a discovery is made, work must stop in the vicinity of the find. Work may continue at a distance of 100 feet away from the discovery point. The BLM must be notified promptly upon discovery of paleontological remains. An assessment of the discovery will determine its significance, and the actions necessary for protection.

Middle Mesa Federal 5-10-30-25

1. Due to a raptor nest, no permanent facilities shall be constructed/installed on this location. Facilities shall be located on an adjacent or nearby location.
2. This well location is in a geologic formation that has yielded scientifically significant fossils. To minimize the possibility of damaging fossil remains, a paleontological survey or paleontological monitoring shall be performed.
    - A paleontological survey, if conducted, must include the well location and access road. The survey report must be submitted to the BLM for review prior to conducting surface disturbing activities (Note: A paleontological survey was previously conducted on the Middle Mesa No. 5-10 well and access, with negative findings). Depending on the findings of a paleontological survey, monitoring may also be needed.
    - If a paleontological survey is not conducted, monitoring must be performed. The monitor must be on-site during construction of the well pad and access road to identify any vertebrate paleontological remains that may be uncovered. If a discovery is made, work must stop in the vicinity of the find. Work may continue at a distance of 100 feet away from the discovery point. The BLM must be notified promptly upon discovery of paleontological remains. An assessment of the discovery will determine its significance, and the actions necessary for protection.

Middle Mesa Federal 4-20-30-25

1. All earth moving activities that are associated with the initial construction of the well pad will be monitored by an archeologist who meets or exceed the qualification standards recommended by the Secretary of the Interior. The Bureau has identified this area as containing the potential for buried cultural deposits. Additionally, a temporary fence will be erected on the southeast portion of this well pad during construction to eliminate damage to a sensitive area.

The archeologist shall notify the BLM, Moab Field Office of date they intend to monitor the aforementioned areas, no less than three days in advance. The BLM will require the submission of two copies of a monitoring report within 30 days of the completion of work.

In the event previously unidentified archaeological materials are identified within the project area the standard stipulations apply for documentation of archaeological deposits.

2. This well location is in a geologic formation that has yielded scientifically significant fossils. To minimize the possibility of damaging fossil remains, a paleontological survey or paleontological monitoring shall be performed.
    - A paleontological survey, if conducted, must include the well location and access road. The survey report must be submitted to the BLM for review prior to conducting surface disturbing activities (Note: A paleontological survey was previously conducted on the Middle Mesa No. 5-10 well and access, with negative findings). Depending on the findings of a paleontological survey, monitoring may also be needed.
    - If a paleontological survey is not conducted, monitoring must be performed. The monitor must be on-site during construction of the well pad and access road to identify any vertebrate paleontological remains that may be uncovered. If a discovery is made, work must stop in the vicinity of the find. Work may continue at a distance of 100 feet away from the discovery point. The BLM must be notified promptly upon discovery of paleontological remains. An assessment of the discovery will determine its significance, and the actions necessary for protection.

Bull Horn Federal 9-13-30-25

1. This well location is in a geologic formation that has yielded scientifically significant fossils. To minimize the possibility of damaging fossil remains, a paleontological survey or paleontological monitoring shall be performed.
    - A paleontological survey, if conducted, must include the well location and access road. The survey report must be submitted to the BLM for review prior to conducting surface disturbing activities (Note: A paleontological survey was previously conducted on the Middle Mesa No. 5-10 well and access, with negative findings). Depending on the findings of a paleontological survey, monitoring may also be needed.
    - If a paleontological survey is not conducted, monitoring must be performed. The monitor must be on-site during construction of the well pad and access road to identify any vertebrate paleontological remains that may be uncovered. If a discovery is made, work must stop in the vicinity of the find. Work may continue at a distance of 100 feet away from the discovery point. The BLM must be notified promptly upon discovery of paleontological remains. An assessment of the discovery will determine its significance, and the actions necessary for protection.

General COAs

Other required approvals

1. This approval does not authorize non-federal actions. State and county permits may be required prior to any construction activity.

Cultural

1. Should any cultural resources be unearthed, surface-disturbing activities would be re-routed to avoid or halted until the cultural sites/artifacts can be evaluated for significance, and a mitigation/salvage plan be formulated. These actions would successfully mitigate possible impacts to cultural resources such that detailed analysis is not required.

Paleontological Resources

1. Paleontological resources are not likely to be encountered, except for those site listed previously, but could be discovered during construction. Because of this the operator shall; (1) with contractors, go over procedures for stopping work and notifying BLM if paleontological resources were found while working on the project, (2) notify the contractor of his responsibilities for informing employees/sub-contractors of the potential for prosecution if paleontological resources were disturbed.

Wildlife

1. In order to protect nesting raptors, no road or well pad construction, drilling or well completion operations, or construction of production facilities will be authorized between March 1 and August 31. No permanent facilities or construction activities would be allowed that could cause permanent abandonment of established nest sites if facility or construction removed a nest or permanently interfered with nesting activity. Most raptors typically require a ½ mile buffer except burrowing owls which require a ¼ mile buffer to protect nest site and nest activity. Raptor surveys would be required during breeding and nesting season by a qualified biologist. Breeding season surveys must be updated each year prior to surface disturbing activities. The restriction would reduce potential impacts to other bird species when the young would be raised. The limitation does not apply to maintenance and operation of producing wells. Exceptions will be granted to this limitation and will be specified in writing by the Moab Field Office.

2. In order to protect mule deer on crucial winter range no road or well pad construction, drilling or well completion operations, or construction of production facilities will be authorized between November 15 and April 15 to reduce the potential impacts to mule deer. The restriction would not apply to the maintenance and operation of producing wells. The dates and provisions for producing wells would be consistent with the oil and gas stipulation for deer winter range in the MFO RMP.

Well Pad/Road Construction/Maintenance

1. All soil and gravel brought in from off site for road or pad construction need to come from a pit free of invasive, non-native species.

2. Impacts from new well pad and road construction would be minimized by appropriate drainage control (ie. water bars, low water crossings in ephemeral drainages, etc). If the wells go into production, mitigation of impacts to soils would include 1) upgrading roads to BLM Gold Book standards and 2) reclamation of any unused areas (ie. wellpads,

unneeded road access). If the wells are not produced, then reclamation would mitigate and reduce impacts to soils.

3. The operator shall maintain the existing roads in a safe, usable condition, as directed by the Moab Field Office. The maintenance program shall include, but is not limited to, blading, ditching, installing culverts, and if needed, surfacing the road with rock materials. The operator shall conduct all activities associated with the San Juan County roads within the existing surface disturbances of the maintained roads. The operator shall repair all damages to the county roads resulting from traffic associated with constructing, drilling, and producing the well.

4. The operator shall not block access to roads that intersect with the main roads being used to drill these wells. If blading the road for maintenance, the operator must make sure to remove any windrow that crosses another road.

5. The operator shall salvage the topsoil from entire disturbed area of the location prior to construction of the pad. This includes removal of topsoil from the areas where spoil piles will be stored.

6. Gates and cattle guards shall be maintained to at least existing condition or better.

7. New roads constructed shall be signed Administrative use Only.

Wastes

1. All Federal and State laws would be followed regarding use, storage and disposal of hazardous materials and solid wastes.

2. No produced water or other fluids will be disposed on the well pad or roads.

Soils/Dust

1. Dust control will be provided during construction and drilling operations by spraying fresh water on new road construction, roads being maintained or utilized, and the well pad as needed.

Fuels/Fire

1. During the activities of road maintenance, new road construction, or the construction of well pads, if any standing live or dead trees were damaged, cut down, or knocked over by grading or construction equipment; actions would be taken to mitigate the fuel loads from slash generated from these activities. In areas where reclamation of the site would be expected and slash would be utilized to help reclaim the site, temporary piling of slash until termination of activities would be acceptable. In areas where reclamation is not planned in the foreseeable future, disposal of slash would be required.

   Acceptable disposal actions include the chipping of materials on site with dispersal along the road or pad edge. Hauling of materials would also be acceptable with the following stipulations:
   a. BLM would pre-approve the disposal location.
   b. Piled vegetation would not be within fifteen feet of standing live trees.

c. Because downed trees would provide an opportunity for public firewood cutting and collection, piles must be located adjacent to and accessible by road.
d. All burning of materials would be conducted by BLM specialists.

Reclamation

1. Drill pads and new roads to non-producing wells will be reclaimed. Reclamation will include removal of new road and the incorporation of a seed mix that will provide a vegetation structure as close to the existing plant community as possible.

2. At the end of drilling operations and prior to reclamation of the reserve pit, the top of the pit will be covered with netting of one inch or less to prevent access by birds while the pit is drying.

3. The pit will not be left open for more than 6 months from the completion of drilling activities. If necessary the pit fluids will be drained and then closed prior to the 1 year deadline.

4. Interim reclamation shall be commenced within 6 months of completion of the well. Interim reclamation will include the reclamation of all the portions of the pad not required for everyday production.

5. For Interim Reclamation the operator will drill seed on the contour to a depth of 0.5 inch, followed by cultipaction to compact the seedbed, preventing soil and seed losses. To maintain quality and purity, the current years tested, certified seed with a minimum germination rate of 80% and a minimum purity of 90% will be used. Use the following seed mix:

Species – *Cultivar*	**% in Mix**	**Lbs PLS***
Indian Ricegrass	50	5
Slender wheatgrass	40	4
Four-wing saltbush	40	4
Totals	**100%**	**10.00 lbs/acre**

*PLS = pure live seed
*Double this rate if broadcast seeding

6. Slopes too steep for machinery may be hand broadcast and raked with twice the specified amount of seed.

Noxious/Invasive Weeds

1. To reduce the opportunity to transport invasive and/or noxious weeds, the operator will be required to wash all vehicles and equipment before mobilizing into the project area to begin any dirt work or drilling activities.

2. The operator will be responsible for weed control on the disturbed areas within the limits of the well pad and road construction. The operator will be responsible for consultation with the authorized officer and/or local authorities for acceptable weed control methods.

3. The operator will monitor for noxious weeds that might move onto the location. If any are discovered an Integrated Pest Management Plan will be created and need BLM approval prior to beginning any treatment program.

Air Quality

1. All new and replacement internal combustion oil and gas field engines of less than or equal to 300 design-rated horsepower must not emit more than 2 grams of NOx per horsepower-hour. This requirement does not apply to oil and gas field engines of less than or equal to 40 design-rated horsepower;

2. All new and replacement internal combustion oil and gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gram of NOx per horsepower-hour.

Other

1. Please contact Ben Kniola, Natural Resource Specialist, @ (435) 259-2127, Bureau of Land Management, Moab, if there are any questions concerning these surface use COAs.

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Contact the BLM, Natural Resource Protection Specialist at least 48-hours prior to commencing construction of location.

Spud- The spud date will be reported to BLM 24-hours prior to spud. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab Field Office within 24-hours after spud, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the Moab Field Office on a weekly basis.

Oil and Gas Operations Reports (OGORs)- Production from this well shall be reported to Minerals Management Service (MMS) on a monthly basis.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed with the Moab Field Office for approval of all changes of plans and subsequent operations in accordance with 43 CFR 3162.3-2. Safe drilling and operating practices must be observed.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Moab Field Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the BLM in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Moab Field Office is to be notified.

First Production- Should the well be successfully completed for production, the Moab Field Office will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Moab Field Office. The Moab Field Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the Moab Field Office not later than thirty-days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor (BLM) shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

Produced Water- An application for approval of a permanent disposal method and location will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order No.7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Moab Field Office or the appropriate surface managing agency.

TABLE 1 NOTIFICATIONS

Notify Ben Kniola (435-259-2127) or Dave Skinner (435-259-2145) BLM Moab Field Office:

2 days prior to commencement of dirt work, construction and reclamation.

Notify Jeff Brown (435-587-1525) BLM Monticello Field Office for the following:

1 day prior to spud;

50 feet prior to reaching the surface casing setting depth;

3 hours prior to testing BOPE.

If the person at the above number cannot be reached, notify the Moab Field Office at 435-259-2100. If unsuccessful, contact the person listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab Field Office at 435-259-2100. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer	Office: 435-259-2117
	Home: 435-259-2214

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER	5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76053
	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	7. UNIT or CA AGREEMENT NAME: Middle Mesa Unit
	8. WELL NAME and NUMBER: Middle Mesa Fed 25-31-29-24
2. NAME OF OPERATOR: EnCana Oil & Gas (USA) Inc.	9. API NUMBER: 4303731903
3. ADDRESS OF OPERATOR: 370 17th Street, Suite 1700 CITY Denver STATE CO ZIP 80202 — PHONE NUMBER: (720) 876-5339	10. FIELD AND POOL, OR WILDCAT: Undesignated
4. LOCATION OF WELL: FOOTAGES AT SURFACE: 2361' FSL & 900' FWL — COUNTY: San Juan	
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 25 29S 24E S — STATE: UTAH	

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: 6/1/2010	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Request APD Extension
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EnCana Oil & Gas (USA) Inc. is requesting an extension on the approved Application for Permit to Drill for the subject well. Nothing has changed on the approved application.

Please find the APD Request for Permit Extension Validation Form attached as required.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 01-20-10

By:

COPY SENT TO OPERATOR

Date: 1.21.2010

Initials: KS

NAME (PLEASE PRINT) Jevin Croteau TITLE Regulatory Analyst

SIGNATURE DATE 1/13/10

(This space for State use only)

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JAN 19 2010
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

RESET

Application for Permit to Drill
Request for Permit Extension
Validation
(this form should accompany the Sundry Notice requesting permit extension)

API: 4303731903
Well Name: Middle Mesa Fed 25-31-29-24
Location: 2361' FSL & 900' FWL, Sec. 25, T29S, R24E, SLPM
Company Permit Issued to: EnCana Oil & Gas (USA) Inc.
Date Original Permit Issued: 2/18/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes☐ No☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes☐ No☑

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes☐ No☑

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes☐ No☑

Has the approved source of water for drilling changed? Yes☐ No☑

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes☐ No☑

Is bonding still in place, which covers this proposed well? Yes☑ No☐

Signature

1/13/10
Date

Title: Regulatory Analyst

Representing: EnCana Oil & Gas (USA) Inc.

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JAN 19 2010
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Division of Oil, Gas and Mining

OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING
CDW

X - Change of Operator (Well Sold) Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective: **5/14/2010**

FROM: (Old Operator):	**TO:** (New Operator):
N2175-EnCana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202 Phone: 1 (303) 623-2300	N3670-Patara Oil & Gas, LLC 333 Clay Street, Suite 3960 Houston, TX 77002 Phone: 1 (713) 357-7171

CA No. **Unit:** **MIDDLE MESA**

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/11/2010
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/11/2010
3. The new company was checked on the **Department of Commerce, Division of Corporations Database on:** 5/11/2010

4a. Is the new operator registered in the State of Utah: Business Number: 7655540-0161

5a. (R649-9-2)Waste Management Plan has been received on: * * requested 9/27/10

5b. Inspections of LA PA state/fee well sites complete on: * * requested 9/27/10

5c. Reports current for Production/Disposition & Sundries on: ok

6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA
7. **Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: 6/28/2010 & 9/2/2010
8. **Federal and Indian Communization Agreements ("CA"):** The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
9. **Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to **Inject,** for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 6/29/2010 Lisbon B-816 only

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database on:** 9/14/2010
2. Changes have been entered on the **Monthly Operator Change Spread Sheet on:** 9/14/2010
3. Bond information entered in RBDMS on: 9/14/2010
4. Fee/State wells attached to bond in RBDMS on: 9/14/2010
5. Injection Projects to new operator in RBDMS on: 9/14/2010
6. Receipt of Acceptance of Drilling Procedures for APD/New on: 5/11/2010

BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: UTB000428
2. Indian well(s) covered by Bond Number: n/a

3a. (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number RLB0013207 & B006008

3b. The **FORMER** operator has requested a release of liability from their bond on: not yet

LEASE INTEREST OWNER NOTIFICATION:

4. (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER:

2. NAME OF OPERATOR: ENCANA OIL & GAS (USA) INC. N2175

9. API NUMBER:

3. ADDRESS OF OPERATOR: 370 17th Street, Suite 1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 623-2300

10. FIELD AND POOL, OR WILDCAT:

4. LOCATION OF WELL

FOOTAGES AT SURFACE: See Attached List

COUNTY:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☑ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Effective May 4, 2010 Patara Oil & Gas LLC, 333 Clay Street, Suite 3960, Houston, TX 77002, will take over completions and operations and is designated as agent operator for the subject wells on the attached list.

Bond coverage for all activities will be covered by Patara's BLM Statewide Oil & Gas Bond No. UTB000428 and UDOGM Bond No. Pending. RLB0013207 + B0006008

Patara Oil & Gas LLC, Lane M. Kincannon, Vice-President, Land & Business Development N3670

Signature _____ Date 5/4/2010

NAME (PLEASE PRINT) Ricardo D. Gallegos TITLE Attorney-in-Fact

SIGNATURE _____ DATE 5/4/2010

(This space for State use only)

APPROVED 9/14/2010
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

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May 11 2010 ER
DIV. OF OIL, GAS & MINING

(5/2000)

ENCANA O-G (N2175) to PATARA O-G (N3670)
effective May 4, 2010
MIDDLE MESA

well_name	sec	twp	rng	api	entity	lease	well	stat	C
BIG INDIAN 35-24	35	290S	240E	4303731829	14409	Federal	GW	S	
MIDDLE MESA ST 36-14-29-24	36	290S	240E	4303731838	15076	State	GW	P	
MIDDLE MESA FED 5-6-30-25	05	300S	250E	4303731853	16375	Federal	GW	P	
MIDDLE MESA FED 31-31-29-25	31	290S	250E	4303731854	15721	Federal	GW	P	
MIDDLE MESA ST 36-12-29-24	36	290S	240E	4303731855	16187	State	GW	P	
MIDDLE MESA ST 36-24-29-24	36	290S	240E	4303731856	16186	State	GW	S	
MIDDLE MESA ST 36-12B-29-24	36	290S	240E	4303731877	15076	State	GW	P	
MIDDLE MESA ST 36-24B-29-24	36	290S	240E	4303731878	16834	State	GW	P	
MIDDLE MESA FED 30-41-29-25	30	290S	250E	4303731893		Federal	GW	APD	C
MIDDLE MESA FED 31-42-29-25	31	290S	250E	4303731895		Federal	GW	APD	C
MIDDLE MESA FED 5-10-30-25	05	300S	250E	4303731897		Federal	GW	APD	
MIDDLE MESA FED 4-20-30-25	04	300S	250E	4303731898		Federal	GW	APD	C
MIDDLE MESA FED 25-43-29-24	25	290S	240E	4303731901		Federal	GW	APD	C
MIDDLE MESA FED 25-31-29-24	25	290S	240E	4303731903		Federal	GW	APD	C
MIDDLE MESA FED 26-34-29-24	26	290S	240E	4303731904		Federal	GW	APD	C
MIDDLE MESA FED 26-23-29-24	26	290S	240E	4303731905		Federal	GW	APD	C
MIDDLE MESA FED 31-44-29-25	31	290S	250E	4303731906		Federal	GW	APD	C
MIDDLE MESA FED 31-33-29-25	31	290S	250E	4303731907		Federal	GW	APD	C
MIDDLE MESA FED 5-8-30-25	05	300S	250E	4303731908		Federal	GW	APD	C
MIDDLE MESA FED 31-22-29-25	31	290S	250E	4303731909		Federal	GW	APD	
MIDDLE MESA FED 31-11-29-25	31	290S	250E	4303731910		Federal	GW	APD	
**Moved 7/14/2010									
MIDDLE MESA FED 25-41-29-24	25	290S	240E	4303731902		Federal	GW	APD	C

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
http://www.blm.gov/ut/st/en.html

TAKE PRIDE IN AMERICA

IN REPLY REFER TO
3180
UT-922

June 28, 2010

David M. Laramie
Patara Oil & Gas, LLC
621 17th Street, Suite 1345
Denver, CO 80293

Re: Successor Operator
Middle Mesa Unit
UTU82680X
San Juan County, Utah

Dear Mr. Laramie:

On June 25, 2010, we received an indenture dated May 4, 2010, whereby EnCana Oil & Gas (USA), Inc. resigned as Unit Operator and Patara Oil & Gas, LLC was designated as Successor Unit Operator for the Middle Mesa Unit, San Juan County, Utah. The indenture was executed by both parties and the signatory parties (working interest owners) have complied with Sections 5 and 6 of the unit agreement.

The instrument is hereby approved effective June 28, 2010. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Middle Mesa Unit Agreement.

Your statewide oil and gas BLM Bond No. UTB000428 will be used to cover unit operations.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate Federal offices, with one copy returned herewith.

If you have any questions, contact Leslie Wilcken of this office at (801) 539-4112.

Sincerely,

/s/ Roger L. Bankert

Roger L. Bankert
Chief, Branch of Minerals

Enclosure

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Request to Transfer Application or Permit to Drill

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	Middle Mesa Fed 25-31-29-24
API number:	4303731903
Location:	Qtr-Qtr: NWSW Section: 25 Township: 29S Range: 24E
Company that filed original application:	EnCana Oil & Gas (USA) Inc.
Date original permit was issued:	02/18/2009
Company that permit was issued to:	EnCana Oil & Gas (USA) Inc.

Check one	Desired Action:
	Transfer pending (unapproved) Application for Permit to Drill to new operator
	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
✓	**Transfer approved Application for Permit to Drill to new operator**
	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?		✓
If so, has the surface agreement been updated?		
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		✓
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		✓
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		✓
Has the approved source of water for drilling changed?		✓
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		✓
Is bonding still in place, which covers this proposed well? Bond No. RLB0013207	X	

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) Lane Kincannon Title Vice-President, Land & Business Development

Signature _____ Date 5/4/10

Representing (company name) Patara Oil & Gas LLC

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

(3/2004)

RECEIVED
May 11 2010
DIV. OF OIL, GAS & MINING

API Well No: 43037319030000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-76053

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: MIDDLE MESA

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: MIDDLE MESA FED 25-31-29-24

2. NAME OF OPERATOR: PATARA OIL & GAS, LLC

9. API NUMBER: 43037319030000

3. ADDRESS OF OPERATOR: 600 17th Street Ste 1900S , Denver, CO, 80202

PHONE NUMBER: 303 825-0685 Ext

9. FIELD and POOL or WILDCAT: UNDESIGNATED

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2361 FSL 0900 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSW Section: 25 Township: 29.0S Range: 24.0E Meridian: S

COUNTY: SAN JUAN

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 6/1/2011	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	✓ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Patara Oil & Gas, LLC requests the extension of the above mentioned APD for the maximum time allowable. The federal approval is valid until January 6, 2012. Please contact Christopher A. Noonan at Banko Petroleum Management, Inc. at 303-820-4480, or at bob@banko1.com with any questions or concerns. Thank you.

Approved by the Utah Division of Oil, Gas and Mining

Date: 02/15/2011

By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Christopher A. Noonan	303 820-4480	Permit Agent
SIGNATURE N/A		**DATE** 2/10/2011

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43037319030000

API: 43037319030000
Well Name: MIDDLE MESA FED 25-31-29-24
Location: 2361 FSL 0900 FWL QTR NWSW SEC 25 TWNP 290S RNG 240E MER S
Company Permit Issued to: PATARA OIL & GAS, LLC
Date Original Permit Issued: 2/18/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- **If located on private land, has the ownership changed, if so, has the surface agreement been updated?** ○ **Yes** ◉ **No**
- **Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?** ○ **Yes** ◉ **No**
- **Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?** ○ **Yes** ◉ **No**
- **Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?** ○ **Yes** ◉ **No**
- **Has the approved source of water for drilling changed?** ○ **Yes** ◉ **No**
- **Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?** ○ **Yes** ◉ **No**
- **Is bonding still in place, which covers this proposed well?** ◉ **Yes** ○ **No**

Signature: Christopher A. Noonan **Date:** 2/10/2011
Title: Permit Agent **Representing:** PATARA OIL & GAS, LLC

RECEIVED Feb. 10, 2011

Federal Approval of this Action is Necessary

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

5.LEASE DESIGNATION AND SERIAL NUMBER:
UTU-76053

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:
MIDDLE MESA

1. TYPE OF WELL
Gas Well

8. WELL NAME and NUMBER:
MIDDLE MESA FED 25-31-29-24

2. NAME OF OPERATOR:
PATARA OIL & GAS, LLC

9. API NUMBER:
43037319030000

3. ADDRESS OF OPERATOR:
600 17th Street Ste 1900S , Denver, CO, 80202

PHONE NUMBER:
303 825-0685 Ext

9. FIELD and POOL or WILDCAT:
UNDESIGNATED

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
2361 FSL 0900 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: NWSW Section: 25 Township: 29.0S Range: 24.0E Meridian: S

COUNTY:
SAN JUAN

STATE:
UTAH

11.
CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 8/1/2011	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	✓ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
☐ SPUD REPORT Date of Spud:	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Change BHL from 2422' FSL & 1133' FWL NWSW Sec. 25 T29S R24E to 28' FEL, & 1968' FSL NESE Sec. 26 T29S R24E Change Holes as follows: Surface Hole from 2600' MD & 12-1/4" to 2603' MD & 12-1/4" Production Hole from 6282' MD & 8-3/4" to 6553' MD & 7-7/8" Change Casing as follows: Surface Casing from 9-5/8" 36# J-55 ST&C to 8-5/8" 32# ST&C Production Casing from 5-1/2" 17# L-80 LT&C to 4-1/2" 11.60# N-80 LT&C Change Cement as follows: Production from 1000 sx Class G 50/50 Poz 1.43 cf/sk 13 ppg to 515 sx Type III 35/65 Poz + 6% gel 2.16 cf/sk

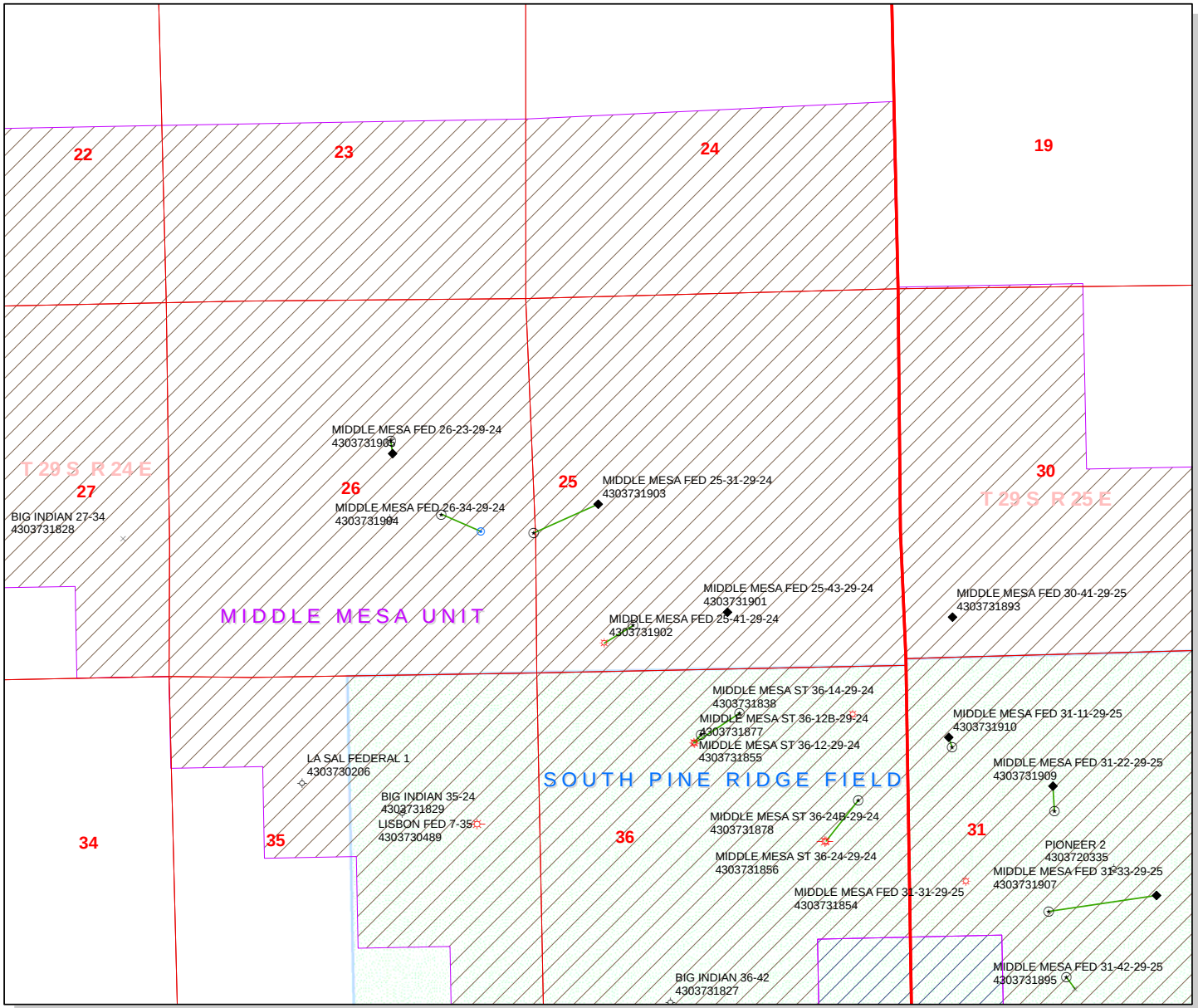
Approved by the Utah Division of Oil, Gas and Mining

Date: 07/20/2011

By: Dark K Quist

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Kimberly J. Rodell	303 820-4480	Permit Agent
SIGNATURE		**DATE**
N/A		6/24/2011

RECEIVED Jun. 24, 2011



API Number: 4303731903

Well Name: MIDDLE MESA FED 25-31-29-24

Township T2.9 . Range R2.4 . Section 25

Meridian: SLBM

Operator: PATARA OIL & GAS, LLC

Map Prepared:
Map Produced by Diana Mason

Units

STATUS

- ACTIVE
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields

STATUS

- Unknown
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- STORAGE
- TERMINATED
- Sections
- Township
- Bottom Hole Location - AGRC

Wells Query

Status

- APD - Aproved Permit
- DRL - Spuded (Drilling Commenced)
- GIW - Gas Injection
- GS - Gas Storage
- LA - Location Abandoned
- LOC - New Location
- OPS - Operation Suspended
- PA - Plugged Abandoned
- PGW - Producing Gas Well
- POW - Producing Oil Well
- RET - Returned APD
- SGW - Shut-in Gas Well
- SOW - Shut-in Oil Well
- TA - Temp. Abandoned
- TW - Test Well
- WDW - Water Disposal
- WIW - Water Injection Well
- WSW - Water Supply Well

1,800 900 0 1,800 Feet

1:17,766

Patara Oil & Gas LLC

600 17th Street, Suite 1900 S, Denver, CO 80202 Phone (303) 825-0685 . Fax (720) 235-4560

July 20, 2011

Ms. Diane Mason
Utah Department of Natural Resources
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84116

RE: Rule R649-3-11. Directional Drilling
Middle Mesa #25-31-29-24 Well
Middle Mesa Federal Unit
San Juan County, Utah

Dear Ms. Mason:

Reference is made to that certain application for permit to drill (APD) covering the captioned well, which well is presently surface located 2,361' FSL and 900' FWL of Section 25, T29S, R24E, and bottomhole located 1,968' FSL and 28' FEL of adjoining Section 26, San Juan County, Utah (Please see enclosed plats). The bottomhole location for this well targeting the Honaker Trail formation is located outside the 400 feet square "window" provided for under state rule R649-3-2. In accordance with state rule R649-3-11, Patara hereby respectfully requests an exception to said Location and Siting Wells rule, and provides the following information in support thereof:

1.) Patara holds 100% of the oil and gas leasehold interest within a 460 feet radius of the bottomhole location and all points along the intended wellbore. Said leasehold is covered under Federal Oil and Gas Lease bearing serial number UTU-76053, which lease covers, in part, the SW4 of said Section 25 and the SE4 of said Section 26. The surface estate to the drillsite tract and mineral estate covered by said leases are part of the Federal Public Domain.

2.) Said leasehold, and other lands, is committed to the Middle Mesa Federal Exploratory Unit (UTU-82680X) effective November 17, 2005. The Unit Agreement unitizes all formations, including the Honaker Trail. The separate unitized tracts are pooled to form one Unit Area to effectively and efficiently develop the Unitized Zones.

In consideration of the foregoing, we therefore respectfully request an exception to rule R649-3-2 for purposes of drilling the captioned well with a bottomhole at the location set forth in the revised APD. Should you have any questions, regarding this matter, please do not hesitate to give me a call at 303-563-5362.

Sincerely,

Patara Oil & Gas LLC

R. G. Davis, CPL
Vice President, Land

RECEIVED Jun. 24, 2011

Patara Oil & Gas, LLC

San Juan County, UT
Sec 25-T29S-R24E
Middle Mesa 25-31-29-24
Wellbore #1

Plan: Preliminary Directional Plan for APD 06/10/11

Standard Survey Report

10 June, 2011

CRESCENT DIRECTIONAL DRILLING

RECEIVED Jun. 24, 2011

Crescent Directional Drilling, IP

Survey Report

Company:	Patara Oil & Gas, LLC	**Local Co-ordinate Reference:**	Well Middle Mesa 25-31-29-24
Project:	San Juan County, UT	**TVD Reference:**	WELL @ 6736.2ft (Original Well Elev)
Site:	Sec 25-T29S-R24E	**MD Reference:**	WELL @ 6736.2ft (Original Well Elev)
Well:	Middle Mesa 25-31-29-24	**North Reference:**	True
Wellbore:	Wellbore #1	**Survey Calculation Method:**	Minimum Curvature
Design:	Preliminary Directional Plan for APD 06/10/11	**Database:**	EDM 2003.16 Single User Db

Project San Juan County, UT

Map System:	US State Plane 1927 (Exact solution)	**System Datum:**	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	Utah South 4303		

Site Sec 25-T29S-R24E

Site Position:		**Northing:**	584,903.30 ft	**Latitude:**	38° 15' 4.817 N
From:	Lat/Long	**Easting:**	2,651,127.55 ft	**Longitude:**	109° 13' 56.870 W
Position Uncertainty:	0.0 ft	**Slot Radius:**	"	**Grid Convergence:**	1.39 °

Well Middle Mesa 25-31-29-24

Well Position	**+N/-S**	0.0 ft	**Northing:**	584,903.30 ft	**Latitude:**	38° 15' 4.817 N
	+E/-W	0.0 ft	**Easting:**	2,651,127.55 ft	**Longitude:**	109° 13' 56.870 W
Position Uncertainty		0.0 ft	**Wellhead Elevation:**	ft	**Ground Level:**	0.0 ft

Wellbore Wellbore #1

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	05/25/11	10.71	64.46	51,390

Design Preliminary Directional Plan for APD 06/10/11

Audit Notes:

Version:		**Phase:**	PROTOTYPE	**Tie On Depth:**	0.0

Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.0	0.0	0.0	246.84

Survey Tool Program **Date** 06/10/11

From (ft)	To (ft)	Survey (Wellbore)	Tool Name	Description
0.0	6,553.4	Preliminary Directional Plan for APD 06/10		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
KOP 2/100'									
300.0	2.00	246.94	300.0	-0.7	-1.6	1.7	2.00	2.00	0.00
400.0	4.00	246.94	399.8	-2.7	-6.4	7.0	2.00	2.00	0.00
500.0	6.00	246.94	499.5	-6.1	-14.4	15.7	2.00	2.00	0.00
600.0	8.00	246.94	598.7	-10.9	-25.7	27.9	2.00	2.00	0.00
700.0	10.00	246.94	697.5	-17.0	-40.0	43.5	2.00	2.00	0.00
800.0	12.00	246.94	795.6	-24.5	-57.6	62.6	2.00	2.00	0.00
900.0	14.00	246.94	893.1	-33.3	-78.3	85.1	2.00	2.00	0.00
1,000.0	16.00	246.94	989.6	-43.5	-102.1	111.0	2.00	2.00	0.00
1,100.0	18.00	246.94	1,085.3	-54.9	-129.0	140.2	2.00	2.00	0.00

Crescent Directional Drilling, IP

Survey Report

Company:	Patara Oil & Gas, LLC	**Local Co-ordinate Reference:**	Well Middle Mesa 25-31-29-24
Project:	San Juan County, UT	**TVD Reference:**	WELL @ 6736.2ft (Original Well Elev)
Site:	Sec 25-T29S-R24E	**MD Reference:**	WELL @ 6736.2ft (Original Well Elev)
Well:	Middle Mesa 25-31-29-24	**North Reference:**	True
Wellbore:	Wellbore #1	**Survey Calculation Method:**	Minimum Curvature
Design:	Preliminary Directional Plan for APD 06/10/11	**Database:**	EDM 2003.16 Single User Db

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
1,135.8	18.72	246.94	1,119.2	-59.3	-139.4	151.5	2.00	2.00	0.00
EOB Hold 18.72 Deg									
1,200.0	18.72	246.94	1,180.1	-67.4	-158.3	172.1	0.00	0.00	0.00
1,300.0	18.72	246.94	1,274.8	-80.0	-187.9	204.2	0.00	0.00	0.00
1,400.0	18.72	246.94	1,369.5	-92.5	-217.4	236.3	0.00	0.00	0.00
1,500.0	18.72	246.94	1,464.2	-105.1	-246.9	268.4	0.00	0.00	0.00
1,600.0	18.72	246.94	1,558.9	-117.7	-276.4	300.4	0.00	0.00	0.00
1,700.0	18.72	246.94	1,653.6	-130.2	-306.0	332.5	0.00	0.00	0.00
1,800.0	18.72	246.94	1,748.3	-142.8	-335.5	364.6	0.00	0.00	0.00
1,900.0	18.72	246.94	1,843.0	-155.4	-365.0	396.7	0.00	0.00	0.00
2,000.0	18.72	246.94	1,937.7	-167.9	-394.5	428.8	0.00	0.00	0.00
2,100.0	18.72	246.94	2,032.5	-180.5	-424.1	460.9	0.00	0.00	0.00
2,200.0	18.72	246.94	2,127.2	-193.1	-453.6	493.0	0.00	0.00	0.00
2,300.0	18.72	246.94	2,221.9	-205.6	-483.1	525.1	0.00	0.00	0.00
2,400.0	18.72	246.94	2,316.6	-218.2	-512.6	557.2	0.00	0.00	0.00
2,500.0	18.72	246.94	2,411.3	-230.8	-542.2	589.2	0.00	0.00	0.00
8 5/8"									
2,600.0	18.72	246.94	2,506.0	-243.3	-571.7	621.3	0.00	0.00	0.00
2,700.0	18.72	246.94	2,600.7	-255.9	-601.2	653.4	0.00	0.00	0.00
2,800.0	18.72	246.94	2,695.4	-268.5	-630.7	685.5	0.00	0.00	0.00
2,900.0	18.72	246.94	2,790.2	-281.0	-660.3	717.6	0.00	0.00	0.00
3,000.0	18.72	246.94	2,884.9	-293.6	-689.8	749.7	0.00	0.00	0.00
3,100.0	18.72	246.94	2,979.6	-306.2	-719.3	781.8	0.00	0.00	0.00
3,200.0	18.72	246.94	3,074.3	-318.7	-748.8	813.9	0.00	0.00	0.00
3,300.0	18.72	246.94	3,169.0	-331.3	-778.4	845.9	0.00	0.00	0.00
3,305.6	18.72	246.94	3,174.3	-332.0	-780.0	847.7	0.00	0.00	0.00
Start Drop -1.5/100'									
3,400.0	17.30	246.94	3,264.1	-343.4	-806.9	876.9	1.50	-1.50	0.00
3,500.0	15.80	246.94	3,359.9	-354.6	-833.1	905.4	1.50	-1.50	0.00
3,600.0	14.30	246.94	3,456.5	-364.8	-857.0	931.4	1.50	-1.50	0.00
3,700.0	12.80	246.94	3,553.7	-373.9	-878.5	954.8	1.50	-1.50	0.00
3,800.0	11.30	246.94	3,651.5	-382.1	-897.7	975.7	1.50	-1.50	0.00
3,900.0	9.80	246.94	3,749.8	-389.3	-914.6	994.0	1.50	-1.50	0.00
4,000.0	8.30	246.94	3,848.6	-395.5	-929.1	1,009.7	1.50	-1.50	0.00
4,100.0	6.80	246.94	3,947.7	-400.6	-941.2	1,022.9	1.50	-1.50	0.00
4,200.0	5.30	246.94	4,047.1	-404.7	-950.9	1,033.4	1.50	-1.50	0.00
4,300.0	3.80	246.94	4,146.8	-407.8	-958.2	1,041.3	1.50	-1.50	0.00
4,400.0	2.30	246.94	4,246.7	-409.9	-963.1	1,046.7	1.50	-1.50	0.00
4,500.0	0.80	246.94	4,346.6	-411.0	-965.5	1,049.4	1.50	-1.50	0.00
4,553.4	0.00	246.94	4,400.0	-411.1	-965.9	1,049.7	1.50	-1.50	0.00
EOD Hold 0 Degrees - MM 23-31 Target 1									
4,600.0	0.00	0.00	4,446.6	-411.1	-965.9	1,049.7	0.00	0.00	0.00
4,700.0	0.00	0.00	4,546.6	-411.1	-965.9	1,049.7	0.00	0.00	0.00
4,800.0	0.00	0.00	4,646.6	-411.1	-965.9	1,049.7	0.00	0.00	0.00
4,900.0	0.00	0.00	4,746.6	-411.1	-965.9	1,049.7	0.00	0.00	0.00
5,000.0	0.00	0.00	4,846.6	-411.1	-965.9	1,049.7	0.00	0.00	0.00
5,100.0	0.00	0.00	4,946.6	-411.1	-965.9	1,049.7	0.00	0.00	0.00
5,200.0	0.00	0.00	5,046.6	-411.1	-965.9	1,049.7	0.00	0.00	0.00
5,300.0	0.00	0.00	5,146.6	-411.1	-965.9	1,049.7	0.00	0.00	0.00
5,400.0	0.00	0.00	5,246.6	-411.1	-965.9	1,049.7	0.00	0.00	0.00
5,500.0	0.00	0.00	5,346.6	-411.1	-965.9	1,049.7	0.00	0.00	0.00
5,600.0	0.00	0.00	5,446.6	-411.1	-965.9	1,049.7	0.00	0.00	0.00
5,700.0	0.00	0.00	5,546.6	-411.1	-965.9	1,049.7	0.00	0.00	0.00
5,800.0	0.00	0.00	5,646.6	-411.1	-965.9	1,049.7	0.00	0.00	0.00

Crescent Directional Drilling, IP

Survey Report

Company:	Patara Oil & Gas, LLC	**Local Co-ordinate Reference:**	Well Middle Mesa 25-31-29-24
Project:	San Juan County, UT	**TVD Reference:**	WELL @ 6736.2ft (Original Well Elev)
Site:	Sec 25-T29S-R24E	**MD Reference:**	WELL @ 6736.2ft (Original Well Elev)
Well:	Middle Mesa 25-31-29-24	**North Reference:**	True
Wellbore:	Wellbore #1	**Survey Calculation Method:**	Minimum Curvature
Design:	Preliminary Directional Plan for APD 06/10/11	**Database:**	EDM 2003.16 Single User Db

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
5,900.0	0.00	0.00	5,746.6	-411.1	-965.9	1,049.7	0.00	0.00	0.00
6,000.0	0.00	0.00	5,846.6	-411.1	-965.9	1,049.7	0.00	0.00	0.00
6,100.0	0.00	0.00	5,946.6	-411.1	-965.9	1,049.7	0.00	0.00	0.00
6,200.0	0.00	0.00	6,046.6	-411.1	-965.9	1,049.7	0.00	0.00	0.00
6,300.0	0.00	0.00	6,146.6	-411.1	-965.9	1,049.7	0.00	0.00	0.00
6,400.0	0.00	0.00	6,246.6	-411.1	-965.9	1,049.7	0.00	0.00	0.00
6,500.0	0.00	0.00	6,346.6	-411.1	-965.9	1,049.7	0.00	0.00	0.00
6,553.3	0.00	0.00	6,399.9	-411.1	-965.9	1,049.7	0.00	0.00	0.00
TD = 6,553' MD									
6,553.4	0.00	0.00	6,400.0	-411.1	-965.9	1,049.7	0.00	0.00	0.00

Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
MM 23-31 Target 1 - plan hits target center - Circle (radius 50.0)	0.00	0.00	4,400.0	-411.1	-965.9	584,468.88	2,650,171.91	38° 15' 0.752 N	109° 14' 8.978 W

Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (")	Hole Diameter (")
2,500.0	2,411.3	8 5/8"	8-5/8	12-1/4
	6,500.0	4 1/2"	4-1/2	7-7/8

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates +N/-S (ft)	Local Coordinates +E/-W (ft)	Comment
200.0	200.0	0.0	0.0	KOP 2/100'
1,135.8	1,119.2	-59.3	-139.4	EOB Hold 18.72 Deg
3,305.6	3,174.3	-332.0	-780.0	Start Drop -1.5/100'
4,553.4	4,400.0	-411.1	-965.9	EOD Hold 0 Degrees
6,553.3	6,399.9	-411.1	-965.9	TD = 6,553' MD

Checked By: _____ Approved By: _____ Date: _____

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: **PATARA OIL & GAS, LLC**

Well Name: **MIDDLE MESA FED 25-31-29-24**

Api No: **43-037-31903** Lease Type **FEDERAL**

Section **25** Township **29S** Range **24E** County **SAN JUAN**

Drilling Contractor **FRONTIER DRILLING** RIG # **4**

SPUDDED:

Date **07/25/2011**

Time **AM**

How **DRY**

Drilling will Commence:

Reported by **JIM HOGUE**

Telephone # **(713) 581-1226**

Date **07/26 /2011** **Signed** **CHD**

CONFIDENTIAL

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU76053

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME: Middle Mesa - UTU

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Middle Mesa Fed 25-31-29-24

2. NAME OF OPERATOR: Patara Oil & Gas LLC

9. API NUMBER: 4303731903

3. ADDRESS OF OPERATOR: 600 17th St. Suite 1900S CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 825-0685

10. FIELD AND POOL, OR WILDCAT: Middle Mesa

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2361FSL 900FWL

COUNTY: San Juan County, UT

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 25 29S 24E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: _____	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion: 7/25/2011	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Spud Notification
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Patara Oil & Gas LLC (Patara) spud the Middle Mesa Fed 25-31-29-24 well at 8:30AM on July 25, 2011 with Frontier Rig 4 in San Juan County, Utah.

NAME (PLEASE PRINT) Christopher A. Noonan TITLE Production Technician

SIGNATURE _____ DATE 7/26/2011

(This space for State use only)

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FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

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7. UNIT or CA AGREEMENT NAME: Middle Mesa - UTU

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Middle Mesa Fed 25-31-29-24

2. NAME OF OPERATOR: Patara Oil & Gas LLC

9. API NUMBER: 4303731903

3. ADDRESS OF OPERATOR: 600 17th St. Suite 1900S CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 825-0685

10. FIELD AND POOL, OR WILDCAT: Middle Mesa

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2361FSL 900FWL

COUNTY: San Juan County, UT

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 25 29S 24E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: 7/25/2011	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☑ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Patara Oil & Gas LLC (Patara) intends to begin drilling operations on this well beginning on or around July 25, 2011. The company proposed the following changes to the approved Application for Permit to Drill: Patara will not utilize a reserve pit, and will drill the well with a closed loop drilling system.

Patara wishes to stockpile drilled solids on a corner of the permitted pad, will allow cuttings to dry, and upon completion of the well, will spread the solids over the pad and utilize as a base for interim reclamation. Patara will test the solids as prescribed by agency standards before utilizing in reclamation procedures. Results of the testing will be submitted to the Utah Division of Oil, Gas & Mining (UDOGM) in a separate Sundry Notice.

Verbal approval for the intended operation was given by UDOGM Engineer Dustin Doucet to Patara Drilling Engineer Ryan Calhoun in July, 2011.

If there are any questions with this request, please contact Ryan Calhoun at 303-563-5373. Thank you.

COPY SENT TO OPERATOR
Date: AUG 0 8 2011
Initials: KS

NAME (PLEASE PRINT) Kevin Stephens TITLE Senior Geophysicist

SIGNATURE Kevin Stephens DATE 7/22/2011

(This space for State use only)

Accepted by the Utah Division of Oil, Gas and Mining
Date: 8/2/2011
By: D K Doucet

Federal Approval Of This Action Is Necessary

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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Patara Oil & Gas LLC

Operator Account Number: N 3670

Address: 600 17th Street, Suite 1900S

city Denver

state CO zip 80202

Phone Number: (303) 825-0685

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4303731903	Middle Mesa Fed 25-31-29-24		NWSW	25	29S	24E	San Juan
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
~~A~~ A	99999	18159	7/25/2011			8/4/11	

Comments: Please assign this well to the Middle Mesa Unit. The well is targeting the Honaker Trail Formation.
HNKRT BHL Sec 26 NESE

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Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	

Comments:

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	

Comments:

ACTION CODES:

- **A** - Establish new entity for new well (single well only)
- **B** - Add new well to existing entity (group or unit well)
- **C** - Re-assign well from one existing entity to another existing entity
- **D** - Re-assign well from one existing entity to a new entity
- **E** - Other (Explain in 'comments' section)

Christopher A. Noonan
Name (Please Print)

Signature

Production Technician
Title

7/27/2011
Date

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AUG 01 2011
DIV. OF OIL, GAS & MINING

(5/2000)

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PLANTSERVICES
DAILY DRILLING REPORT

29S 24E 25
43-037-31903

WELL NAME Patara Oil & Gas Middle Mesa Fed, 25-31-29-24 CONTRACTOR Frontier #4

T.D. AT REPORT FOOTAGE 0 CUM. DRLG. HRS.

PRESENT OPERATION Rigging Up F/ Spud CUM. DAYS (FROM SPUD)

TIME BREAKDOWS

Drilling		Trips		Surveys		Rig Repair	
PU tools		Circ		Rig service		NU BOP	
WOC		WOC		BOP		MI&RU	

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr

SURVEYS:

MUD PROPERTIES

Mud Wt.		Vis		WL		Fltr Ck		/32 pH		Oil%		Water, %	98
PV		YP		Gels				Alkilinity, ppm		Salt			#/bbl
Solids		%Sand		calcium, ppm				Chlorides		Other			

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

BHA

W.O.B.		RPM		PSI		GPM	AV_{DP}/AV_{DC}
Pump #1:	Liner		Stroke Length		SPM		
Pump #2:	Liner		Stroke Length		SPM		Date of B.O.P. Test
SLM:	Board		Talley		Correction		Hours on BHA

DAILY COSTS	DAILY	CUMULATIVE		DAILY	CUMULATIVE
Road & Location (gravel)			Mud		
Rig Cost			Trucking-Mud		
Fuel			Trucking		
Casing (Surface)			Super.		
Cementing			Mud Logging		
Bits			Geologist		
Downhole Rental			Pason		
Directional Equipment			Closed Loop		
Sur, Rentals			Liv, Qtrs,		
Directional			W/H equipment		
Water			Casing crew		
Mob/demob			Float equipment		
Communication			Welding & Misc,		
			Total Cost		

DETAILS:

Start	End	Hrs	
6:00	18:00	12.00	Rig Up Tear Down Move Rig To New Location Raise Derrick Set In Equipment
			R W Jones Trucking A, Total 9 Hrs, Rig Down Move & Rig Up On New Loc,
18:00	6:00	12.00	Rig Up Mud Tanks, Rig Floor Install Conductor Mouse & Rat Hole Make Up Kelly
			Fill Rig Tank W/ Water & Mud Pit

Total 24.00

Report by Jim Hogue Date January 25, 2411

CONFIDENTIAL

PLANTSERVICES
DAILY DRILLING REPORT

29S 24E 25
43-037-31903

WELL NAME Patara Oil & Gas Middle Mesa Fed, 25-31-29-24 CONTRACTOR Frontier #4

T.D. AT REPORT FOOTAGE 0 CUM. DRLG. HRS.

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TIME BREAKDOWS

Drilling		Trips		Surveys		Rig Repair	
PU tools		Circ		Rig service		NU BOP	
WOC		WOC		BOP		MI&RU	

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr

SURVEYS:

MUD PROPERTIES

Mud Wt.		Vis		WL		Fltr Ck		/32 pH		Oil%		Water, %	98
PV		YP		Gels				Alkilinity, ppm		Salt			#/bbl
Solids		%Sand		calcium, ppm				Chlorides		Other			

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

BHA

W.O.B.		RPM		PSI		GPM	AV_{DP}/AV_{DC}
Pump #1:	Liner		Stroke Length		SPM		
Pump #2:	Liner		Stroke Length		SPM		Date of B.O.P. Test
SLM:	Board		Talley		Correction		Hours on BHA

DAILY COSTS	DAILY	CUMULATIVE		DAILY	CUMULATIVE
Road & Location (gravel)			Mud		
Rig Cost			Trucking-Mud		
Fuel			Trucking		
Casing (Surface)			Super.		
Cementing			Mud Logging		
Bits			Geologist		
Downhole Rental			Pason		
Directional Equipment			Closed Loop		
Sur, Rentals			Liv, Qtrs,		
Directional			W/H equipment		
Water			Casing crew		
Mob/demob			Float equipment		
Communication			Welding & Misc,		
			Total Cost		

DETAILS:

Start	End	Hrs	
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Total 24.00

Report by Jim Hogue Date January 25, 2411

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

FORM 9

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PHONE NUMBER: (303) 825-0685

10. FIELD AND POOL, OR WILDCAT: Middle Mesa

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2361FSL 900FWL

COUNTY: San Juan County, UT

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 25 29S 24E S

STATE: UTAH

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	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
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	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Drilling Operations Update
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please find the attached drilling summary report for the Middle Mesa Fed 26-34-29-24, covering all drilling activity conducted during the month of July, 2011. This report covers from spud date to rig off date for this well.

Please contact Christopher Noonan with Patara Oil & Gas LLC with any questions. Thank you.

NAME (PLEASE PRINT) Christopher Noonan TITLE Production Technician

SIGNATURE [signature] DATE 8/2/2011

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DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

PLANTSERVICES
DAILY DRILLING REPORT

WELL NAME Patara Oil & Gas Middle Mesa Fed, 25-31-29-24 CONTRACTOR Frontier #4

T.D. AT REPORT FOOTAGE 0 CUM. DRLG. HRS.

PRESENT OPERATION Rigging Up F/ Spud CUM. DAYS (FROM SPUD)

TIME BREAKDOWS

Drilling		Trips		Surveys		Rig Repair	
PU tools		Circ		Rig service		NU BOP	
WOC		WOC		BOP		MI&RU	

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr

SURVEYS:

MUD PROPERTIES

Mud Wt.		Vis		WL		Fltr Ck		/32 pH		Oil%		Water, %	98
PV		YP		Gels				Alkilinity, ppm		Salt			#/bbl
Solids		%Sand		calcium, ppm				Chlorides		Other			

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

BHA

W.O.B.		RPM		PSI		GPM	AV_{DP}/AV_{DC}
Pump #1:	Liner		Stroke Length		SPM		
Pump #2:	Liner		Stroke Length		SPM		Date of B.O.P. Test
SLM:	Board		Talley		Correction		Hours on BHA

DAILY COSTS	DAILY	CUMULATIVE		DAILY	CUMULATIVE
Road & Location (gravel)			Mud		
Rig Cost			Trucking-Mud		
Fuel			Trucking		
Casing (Surface)			Super.		
Cementing			Mud Logging		
Bits			Geologist		
Downhole Rental			Pason		
Directional Equipment			Closed Loop		
Sur, Rentals			Liv, Qtrs,		
Directional			W/H equipment		
Water			Casing crew		
Mob/demob			Float equipment		
Communication			Welding & Misc,		
			Total Cost		

DETAILS:

Start	End	Hrs	
6:00	18:00	12.00	Rig Up Tear Down Move Rig To New Location Raise Derrick Set In Equipment
			R W Jones Trucking A, Total 9 Hrs, Rig Down Move & Rig Up On New Loc,
18:00	6:00	12.00	Rig Up Mud Tanks, Rig Floor Install Conductor Mouse & Rat Hole Make Up Kelly
			Fill Rig Tank W/ Water & Mud Pit

Total 24.00

Report by Jim Hogue Date July 25, 2011

PLANTSERVICES
DAILY DRILLING REPORT

WELL NAME: Patara Oil & Gas Middle Mesa Fed, 25-31-29-24 | CONTRACTOR: Frontier #4

T.D. AT REPORT: 581' | FOOTAGE: 544 | CUM. DRLG. HRS.: 17.5

PRESENT OPERATION: Sliding & Drilling | CUM. DAYS (FROM SPUD): 1

Spu Well @ 8:30 am

TIME BREAKDOWS

Drilling	17.5	Trips	3.5	Surveys		Rig Repair	
PU tools		Circ		Rig service	0.5	NU BOP	
WOC		WOC		BOP		MI&RU	2.5

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	12.25	Rmb	Pdc	70880	37'		544	17.5	8 x 18s		31.1

SURVEYS: 456'-inc,-5.5-az,-244.6= 487'-inc,-6.2-az,-245.6=518'-inc,-6.8-az,-241.0

MUD PROPERTIES

Mud Wt.	8.3	Vis	25	WL	26	Fltr Ck		/32 pH	9.50	Oil%		Water, %	98
PV		YP		Gels				Alkilinity, ppm				Salt		#/bbl
Solids		%Sand		calcium, ppm				Chlorides		Other	

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

BHA 12 1/4 Bit -1.50 =1-8" motor-27.42=1-8"-F Sub- 3.00 = 1-8"Shock Sub-9.80 = 1-8"ubho, -2.44= 1-8"nmdc-28.97 = 1-8" nmdc- 30.74 2-8" dc,-60.19 = 1-4 1/2 xh- to - 6 5/8 reg x/o sub-3.00 = 3- 6 2/5 - dc- 92.00 = 259.06 ft,

W.O.B.	15	RPM	32	PSI	600	GPM	435	AV_{DP}/AV_{DC}	
Pump #1:	Liner	5 1/2	Stroke Length	10	SPM	80			
Pump #2:	Liner	5 1/2	Stroke Length	10	SPM	80	Date of B.O.P. Test		
SLM:	Board		Talley		Correction		Hours on BHA	17.5		

DAILY COSTS	DAILY	CUMULATIVE		DAILY	CUMULATIVE
Road & Location (gravel)			Mud		
Rig Cost			Trucking-Mud		
Fuel			Trucking		
Casing (Surface)			Super.		
Cementing			Mud Logging		
Bits			Geologist		
Downhole Rental			Pason		
Directional Equipment			Closed Loop		
Sur, Rentals			Liv, Qtrs,		
Directional			W/H equipment		
Water			Casing crew		
Mob/demob			Float equipment		
Communication			Welding & Misc,		
			Total Cost		

DETAILS:

Start	End	Hrs	
6:00	8:30	2.50	Rigup Strap B,H,A, Pre Spud Inspection
8:30	10:00	1.50	Tag @ 37' Drlg Out f/ 37' t/ 90'
10:00	11:30	1.50	Drill f/90' t/168'
11:30	12:30	1.00	Trip Out L/D 4-6" dc,
12:30	15:00	2.50	p/u bit & Direc, Tools
15:00	18:00	3.00	Drlg F/ 168' T/259'
18:00	4:00	10.00	Drlg & Slide F/259' T/550'
4:00	4:30	0.50	Rig Service
4:30	6:00	1.50	Drlg & Slide F/550' T/581'
	Total	24.00	

Report by: Jim Hogue | Date: July 26, 2011

PLANTSERVICES
DAILY DRILLING REPORT

WELL NAME: Patara Oil & Gas Middle Mesa Fed, 25-31-29-24 | CONTRACTOR: Frontier #4

T.D. AT REPORT: 1088' | FOOTAGE: 507 | CUM. DRLG. HRS.: 38

PRESENT OPERATION: Sliding & Drilling | CUM. DAYS (FROM SPUD): 2

TIME BREAKDOWS

Drilling	22.5	Trips		Surveys		Rig Repair	
PU tools		Circ		Rig service	0.5	NU BOP	
Pason	1	WOC		BOP		MI&RU	

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	12.25	Rmb	Pdc	70880	37'		1051	38	8 x 18s		27.7

SURVEYS: 898'-inc,-12.10-az-250.0 = 930'-inc,-12.60 -az,-251.10 = 962'-inc-13.20-az,-249.60

MUD PROPERTIES

Mud Wt.	8.4	Vis	35	WL	16	Fltr Ck	2	/32 pH	10.60	Oil%		Water, %	99
PV	7	YP	7	Gels	9			Alkilinity, ppm	0.3		Salt		#/bbl
Solids	1	%Sand	trace	calcium, ppm				Chlorides	1,000	Other			

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

BHA 12 1/4 Bit -1.50 =1-8" motor-27.42=1-8"-F Sub- 3.00 = 1-8"Shock Sub-9.80 = 1-8"ubho, -2.44= 1-8"nmdc-28.97 = 1-8" nmdc- 30.74
2-8" dc,-60.19 = 1-4 1/2 xh- to - 6 5/8 reg x/o sub-3.00 = 3- 6 2/5 - dc- 92.00 = 259.06 ft,

W.O.B.	20	RPM	32	PSI	700	GPM	445	AV_{DP}/AV_{DC}	
Pump #1:	Liner	5 1/2	Stroke Length	10	SPM	85			
Pump #2:	Liner	5 1/2	Stroke Length	10	SPM	85	Date of B.O.P. Test		
SLM:	Board		Talley		Correction		Hours on BHA	38	

DAILY COSTS	DAILY	CUMULATIVE		DAILY	CUMULATIVE
Road & Location (gravel)			Mud		
Rig Cost			Corrosion contr,		
Fuel			Trucking		
Casing (Surface)			Super.		
Cementing			Mud Logging		
Bits			Geologist		
Downhole Rental			Pason		
Directional Equipment			Closed Loop		
Sur, Rentals			Liv, Qtrs,		
Directional			W/H equipment		
Water			Casing crew		
Mob/demob			Float equipment		
Communication			Welding & Misc,		
			Total Cost		

DETAILS:

Start	End	Hrs	
6:00	10:30	4.50	Drlg & Slide f/581' t/740'
10:30	11:00	0.50	Rig Service
11:00	18:00	7.00	Drlg & Slide f/740' T/866'
18:00	23:30	5.50	Drlg & Slide f/866' t/977'
23:30	0:00	0.50	Change Out Pason Transducer
0:00	1:00	1.00	Drlg & Slide f/977' t/993'
1:00	1:30	0.50	Work ON Pason J-Box & Sidekick
1:30	6:00	4.50	Drlg f/993' t/1088'

Total 24.00

Report by: Jim Hogue | Date: July 27, 2011

PLANTSERVICES
DAILY DRILLING REPORT

WELL NAME Patara Oil & Gas Middle Mesa Fed, 25-31-29-24 | CONTRACTOR Frontier #4

T.D. AT REPORT 2067' | FOOTAGE 979' | CUM. DRLG. HRS. 61

PRESENT OPERATION Sliding & Drilling | CUM. DAYS (FROM SPUD) 3

Formation Wingate

TIME BREAKDOWS

Drilling	23	Trips		Surveys		Rig Repair	
PU tools		Circ		Rig service	1	NU BOP	
Pason		WOC		BOP		MI&RU	

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	12.25	Rmb	Pdc	70880	37'		2030	61	8 x 18s		33.3

SURVEYS: 1814'-inc,-19.4-az,249.4 = 1877'-inc,-18.5-az,-247.6 = 1940'-inc,-17.5-az,-247.9

MUD PROPERTIES

Mud Wt.	8.5	Vis	35	WL	11	Fltr Ck	2	/32 pH	9.00	Oil%		Water, %	98
PV	8	YP	9	Gels	5			Alkilinity, ppm	0.02	Salt			#/bbl
Solids	2	%Sand		calcium, ppm				Chlorides	2,000	Other			

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

BHA 12 1/4 Bit -1.50 =1-8" motor-27.42=1-8"-F Sub- 3.00 = 1-8"Shock Sub-9.80 = 1-8"ubho, -2.44= 1-8"nmdc-28.97 = 1-8" nmdc- 30.74 2-8" dc,-60.19 = 1-4 1/2 xh- to - 6 5/8 reg x/o sub-3.00 = 3- 6 2/5 - dc- 92.00 = 259.06 ft,

W.O.B.	25	RPM	32	PSI	1200	GPM	445	AV_{DP}/AV_{DC}	
Pump #1:	Liner 5 1/2	Stroke Length	10	SPM	85				
Pump #2:	Liner 5 1/2	Stroke Length	10	SPM	85	Date of B.O.P. Test			
SLM:	Board	Talley		Correction		Hours on BHA	61		

DAILY COSTS	DAILY	CUMULATIVE		DAILY	CUMULATIVE
Road & Location (gravel)			Mud		
Rig Cost			Corrosion contr,		
Fuel			Trucking		
Casing (Surface)			Super.		
Cementing			Mud Logging		
Bits			Geologist		
Downhole Rental			Pason		
Directional Equipment			Closed Loop		
Sur, Rentals			Liv, Qtrs,		
Directional			W/H equipment		
Water			Casing crew		
Mob/demob			Float equipment		
Communication			Welding & Misc,		
			Total Cost		

DETAILS:

Start	End	Hrs	
6:00	12:30	6.50	Drill & Slide f/ 1088' t/1405'
12:30	13:00	0.50	Rig Service
13:00	18:00	5.00	Drlg & Slide f/ 1405' t/1687'
18:00	4:00	10.00	Drlg & Slide f/1687' t/2013'
4:00	4:30	0.50	Rig Service
4:30	6:00	1.50	Drlg & Slide f/2013' t/2067'
			8 5/8 - 32# j-55 Surface Casing ON Location & Cleaned Drifted & Tallyed

Total 24.00

Report by Jim Hogue | Date July 28, 2011

PLANTSERVICES
DAILY DRILLING REPORT

WELL NAME Patara Oil & Gas Middle Mesa Fed, 25-31-29-24 | CONTRACTOR Frontier #4

T.D. AT REPORT 2630' | FOOTAGE 563' | CUM. DRLG. HRS. 83.5

PRESENT OPERATION Circulate & Condition Mud | CUM. DAYS (FROM SPUD) 4

TIME BREAKDOWNS

Drilling	22.5	Trips		Surveys		Rig Repair	
PU tools		Circ	1	Rig service	0.5	NU BOP	
Pason		WOC		BOP		MI&RU	

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	12.25	Rmb	Pdc	70880	37'		2630'	83.5	8 x 18s		31.5

SURVEYS: 2447'-inc,-16.10-az,-246.40 = 2511'-inc,-15.30-az-245.20 = 2567'-inc,-15.00-az,-243.80

MUD PROPERTIES

Mud Wt.	8.9	Vis	36	WL	9	Fltr Ck	1	/32 pH	9.00	Oil%		Water, %	97
PV	10	YP	7	Gels	3			Alkilinity, ppm	0.03		Salt		#/bbl
Solids	3	%Sand	tr,	calcium, ppm				Chlorides	1,200	Other			

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

BHA 12 1/4 Bit -1.50 =1-8" motor-27.42=1-8"-F Sub- 3.00 = 1-8"Shock Sub-9.80 = 1-8"ubho, -2.44= 1-8"nmdc-28.97 = 1-8" nmdc- 30.74 2-8" dc,-60.19 = 1-4 1/2 xh- to - 6 5/8 reg x/o sub-3.00 = 3- 6 2/5 - dc- 92.00 = 259.06 ft,

W.O.B.	20	RPM	40	PSI	1115	GPM	445	AV_{DP}/AV_{DC}	
Pump #1:	Liner 5 1/2	Stroke Length	10	SPM	85				
Pump #2:	Liner 5 1/2	Stroke Length	10	SPM	85	Date of B.O.P. Test			
SLM:	Board	Talley		Correction		Hours on BHA	83.5		

DAILY COSTS	DAILY	CUMULATIVE		DAILY	CUMULATIVE
Road & Location (gravel)			Mud		
Rig Cost			Corrosion contr,		
Fuel			Trucking		
Casing (Surface)			Super.		
Cementing			Mud Logging		
Bits			Geologist		
Downhole Rental			Pason		
Directional Equipment			Closed Loop		
Sur, Rentals			Liv, Qtrs,		
Directional			W/H equipment		
Water			Casing crew		
Mob/demob			Float equipment		
Communication			Welding & Misc,		
			Total Cost		

DETAILS:

Start	End	Hrs	
6:00	16:00	10.00	Drill & slide f/2067 t/2352'
16:00	16:30	0.50	Rig Service
16:30	18:00	1.50	Drill & slide f/2352' t/2384'
18:00	5:00	11.00	Drill & slide f/2384 t/ 2630' T,d,
5:00	6:00	1.00	Circulate & Condition Mud

Total 24.00

Report by Jim Hogue | Date July 29, 2011

PLANTSERVICES
DAILY DRILLING REPORT

WELL NAME: Patara Oil & Gas Middle Mesa Fed, 25-31-29-24 | CONTRACTOR: Frontier #4

T.D. AT REPORT: 2630' | FOOTAGE: | CUM. DRLG. HRS.: 83.5

PRESENT OPERATION: Trip Out W/Bit | CUM. DAYS (FROM SPUD): 5

TIME BREAKDOWS

Drilling		Trips	20.5	Surveys		Rig Repair	
PU tools		Circ	2	Rig service	0.5	NU BOP	
Reaming	1	WOC		BOP		MI&RU	

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	12.25	Rmb	Pdc	70880	37'	2630'	2630'	83.5	8 x 18s		31.5

SURVEYS:

MUD PROPERTIES

Mud Wt.	9.2	Vis	51	WL	7	Fltr Ck	1	/32 pH	10.00	Oil%		Water, %	95
PV	13	YP	8	Gels	3			Alkilinity, ppm	0.03	Salt		#/bbl	
Solids	5	%Sand	tr,	calcium, ppm				Chlorides	2,000	Other			

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

BHA: 12 1/4 Bit -1.50 =1-8" motor-27.42=1-8"-F Sub- 3.00 = 1-8"Shock Sub-9.80 = 1-8"ubho, -2.44= 1-8"nmdc-28.97 = 1-8" nmdc- 30.74
2-8" dc,-60.19 = 1-4 1/2 xh- to - 6 5/8 reg x/o sub-3.00 = 3- 6 2/5 - dc- 92.00 = 259.06 ft,

W.O.B.		RPM		PSI		GPM		AV_{DP}/AV_{DC}	
Pump #1:	Liner 5 1/2	Stroke Length	10	SPM					
Pump #2:	Liner 5 1/2	Stroke Length	10	SPM		Date of B.O.P. Test			
SLM:	Board	Talley		Correction		Hours on BHA	83.5		

DAILY COSTS	DAILY	CUMULATIVE		DAILY	CUMULATIVE
Road & Location (gravel)			Mud		
Rig Cost			Corrosion contr,		
Fuel			Trucking		
Casing (Surface)			Super.		
Cementing			Mud Logging		
Bits			Geologist		
Downhole Rental			Pason		
Directional Equipment			Closed Loop		
Sur, Rentals			Liv, Qtrs,		
Directional			W/H equipment		
Water			Casing crew		
Mob/demob			Float equipment		
Communication			Welding & Misc,		
			Total Cost		

DETAILS:

Start	End	Hrs	
6:00	9:00	3.00	Trip Out Pump Out Of Hole
9:00	9:30	0.50	Rig Service
9:30	15:00	5.50	Trip Out & Work Thru Tight Spots
15:00	16:30	1.50	trip & Lay Down Dirctional Tools
16:30	18:00	1.50	Strap Pipe Pickup Bit & Sub
18:00	23:30	5.50	Trip In Hole
23:30	0:30	1.00	Wash & Ream
0:30	2:30	2.00	Condition Mud & Circulate
2:30	6:00	3.50	Trip Out To Run Casing

Total 24.00

Report by: Jim Hogue | Date: July 30, 2011

PLANTSERVICES
DAILY DRILLING REPORT

WELL NAME Patara Oil & Gas Middle Mesa Fed, 25-31-29-24 CONTRACTOR Frontier #4

T.D. AT REPORT 2630' FOOTAGE CUM. DRLG. HRS. 83.5

PRESENT OPERATION Test Bop CUM. DAYS (FROM SPUD) 6

Bump Plug @ 15:40 PM, Check Floats Bleed Back 1 Bbl, Floats Held

TIME BREAKDOWNS

Drilling		Trips		Surveys		Rig Repair	
PU tools		Circ		Rig service		NU BOP	5.5
Woc	3.5	Cement	2	Run Casing	8	Instl Tub,Head	6

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	12.25	Rmb	Pdc	70880	37'	2630'	2630'	83.5	8 x 18s		31.5

SURVEYS:

MUD PROPERTIES

Mud Wt.		Vis		WL		Fltr Ck		/32 pH		Oil%		Water, %	
PV		YP		Gels				Alkilinity, ppm		Salt		#/bbl	
Solids		%Sand		calcium, ppm				Chlorides		Other	

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

BHA

W.O.B.		RPM		PSI		GPM		AV_{DP}/AV_{DC}	
Pump #1:	Liner	5 1/2	Stroke Length	10	SPM				
Pump #2:	Liner	5 1/2	Stroke Length	10	SPM		Date of B.O.P. Test		
SLM:	Board		Talley		Correction		Hours on BHA		

DAILY COSTS	DAILY	CUMULATIVE		DAILY	CUMULATIVE
Road & Location (gravel)			Mud		
Rig Cost			Corrosion contr,		
Fuel			Trucking Disposal		
Casing (Surface)			Super.		
Cementing			Mud Logging		
Bits			Geologist		
Downhole Rental			Pason		
Directional Equipment			Closed Loop		
Sur, Rentals			Liv, Qtrs,		
Directional			W/H equipment		
Water			Casing crew		
Mob/demob			Float equipment		
Communication			Welding & Misc,		
			Total Cost		

DETAILS:

Start	End	Hrs	
6:00	7:00	1.00	Rig Up Casing Crew
7:00	12:30	5.50	Pick Up & Run Surface Casing 8 5/8 - 32# J-55 Kelly Up Circulate f/2502 t/2519' Thru, Clay Section
12:30	13:00	0.50	Rig Down Casing Crew
13:00	13:30	0.50	Rigup Cementers BJ
13:30	16:00	2.50	Pre Job s/m, Test Lines Pump Cement Circ Cement To Surface W/Full Returns 44 Bbls, Cmt, To Pit
16:00	0:30	8.50	Wait On Cement 4 Hrs, Cut Off & Weld On Casing Head f/ Wood Group & Weld & Test
0:30	5:00	4.50	Nipple Up Bop, & Flow Nipple & Rotating Head
5:00	6:00	1.00	Testing Bop Equip, w/ Jeff Baker BLM

Total 24.00

Report by Jim Hogue Date July 31, 2011

PLANTSERVICES
DAILY DRILLING REPORT

WELL NAME: Patara Oil & Gas Middle Mesa Fed, 25-31-29-24 | CONTRACTOR: Frontier #4

T.D. AT REPORT: 2630' | FOOTAGE: | CUM. DRLG. HRS.: 83.5

PRESENT OPERATION: Trip Out W/ Drill Pipe Descripancy In Tally & Count Of DP | CUM. DAYS (FROM SPUD): 7

TIME BREAKDOWS

Drilling	3.5	Trips	10	Surveys		Rig Repair	
PU tools		Circ	2	Rig service		NU BOP	8.5
Woc		Cement		Run Casing		Instl Tub,Head	

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	12.25	Rmb	Pdc	70880	37'	2630'	2630'	83.5	8 x 18s		31.5
2	7 7/8	pdc	fx64d	11525562	2630'				6x16s		

SURVEYS:

MUD PROPERTIES

Mud Wt.	9.0	Vis	40	WL	8	Fltr Ck	1	/32 pH	7.00	Oil%		Water, %	96
PV	8	YP	17	Gels	8			Alkilinity, ppm	0	Salt			#/bbl
Solids	4	%Sand	tr,	calcium, ppm				Chlorides	70,000	Other			

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

BHA: 1-bit-1.00 =mud motor - 26.17 = ubho-3.05 = 1=nmdc,-27.58 = 1-nmdc-28.28 = 6-6 1/4- dcs,- 183.56 = 24- hwdp,-736.41 = total =1006.05

W.O.B.		RPM		PSI		GPM		AV_{DP}/AV_{DC}	
Pump #1:	Liner 5 1/2	Stroke Length	10	SPM					
Pump #2:	Liner 5 1/2	Stroke Length	10	SPM		Date of B.O.P. Test			
SLM:	Board	Talley		Correction		Hours on BHA	3.5		

DAILY COSTS	DAILY	CUMULATIVE		DAILY	CUMULATIVE
Road & Location (gravel)			Mud		
Rig Cost			Corrosion contr,		
Fuel			Trucking Disposal		
Casing (Surface)			Super.		
Cementing			Mud Logging		
Bits			Geologist		
Downhole Rental			Pason		
Directional Equipment			Closed Loop		
Sur, Rentals			Liv, Qtrs,		
Directional			W/H equipment		
Water			Casing crew		
Mob/demob			Float equipment		
Communication			Welding & Misc, test,bop		
			Total Cost		

DETAILS:

Start	End	Hrs	
6:00	14:30	8.50	Test Bop, Upper Kelly, Lower Kelly Valve,Pipe Rams, Blind Rams,Choke & Manifold, All, @ 250 psi & 3000 psi
			f/10 min, Annular Preventor Tested @ 1500 psi, 15 mins, Surface Casing Tested @ 1500 psi F/ 30 mins,
14:30	18:00	3.50	Pick Bha Trip IN
18:00	21:30	3.50	Trip In Hole Tag @ 2552'
21:30	23:00	1.50	Lay Down 30 Joints
23:00	0:30	1.50	Trip In Hole W/ 15 Stands
0:30	4:00	3.50	Kelly Up Drill Out Cement,
4:00	6:00	2.00	Condition Mud & Circulate Transfer Mud Check Pipe Tally Will Trip Out w,dp & Strap Same
			& Make Correction

Total 24.00

Report by: Jim Hogue | Date: August 1, 2011

PLANTSERVICES
DAILY DRILLING REPORT

WELL NAME Patara Oil & Gas Middle Mesa Fed, 25-31-29-24 | CONTRACTOR Frontier #4

T.D. AT REPORT 3602' | FOOTAGE 972 | CUM. DRLG. HRS. 102.5

PRESENT OPERATION Sliding & Drilling | CUM. DAYS (FROM SPUD) 8

For, Cutler

TIME BREAKDOWS

Drilling	19	Trips	2	Surveys		Rig Repair	
PU tools		Circ	2	Rig service	1	NU BOP	
Woc		Cement		Run Casing		Instl Tub,Head	

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	12.25	Rmb	Pdc	70880	37'	2630'	2630'	83.5	8 x 18s		31.5
2	7 7/8	pdc	fx64d	11525562	2630'		972	19	6x16s		51.2

SURVEYS: 3489'-inc,-17.7-az,-245.8 = 3521,-inc,-16.9 - az, -247.0

MUD PROPERTIES

Mud Wt.	8.8	Vis	35	WL	7	Fltr Ck	1	/32 pH	9.50	Oil%		Water, %	97
PV	6	YP	11	Gels	4			Alkilinity, ppm	0.06	Salt		#/bbl	
Solids	3	%Sand	tr,	calcium, ppm				Chlorides	26,000	Other	

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

BHA 1-bit-1.00 =mud motor - 26.17 = ubho-3.05 = 1=nmdc,-27.58 = 1-nmdc-28.28 = 6-6 1/4- dcs,- 183.56 = 24- hwdp,-736.41 = total =1006.05

W.O.B.	15	RPM	30	PSI	1262	GPM	493	AV_{DP}/AV_{DC}	
Pump #1:	Liner 5 1/2	Stroke Length	10	SPM	88				
Pump #2:	Liner 5 1/2	Stroke Length	10	SPM	82	Date of B.O.P. Test			
SLM:	Board	Talley		Correction		Hours on BHA	22.5		

DAILY COSTS	DAILY	CUMULATIVE
Road & Location (gravel)		
Rig Cost		
Fuel		
Casing (Surface)		
Cementing		
Bits		
Downhole Rental		
Directional Equipment		
Sur, Rentals		
Directional		
Water		
Mob/demob		
Communication		

	DAILY	CUMULATIVE
Mud		
Corrosion contr,		
Trucking Disposal		
Super.		
Mud Logging		
Geologist		
Pason		
Closed Loop		
Liv, Qtrs,		
W/H equipment		
Casing crew		
Float equipment		
Welding & Misc, test,bop		
Total Cost		

DETAILS:

Start	End	Hrs	
6:00	7:00	1.00	Trip Out Strap & Count Drill Pipe 2- Joints Off Make Correction In Pason
7:00	8:00	1.00	Trip In & Tally Back In
8:00	10:00	2.00	Circulate Displace H2o w/ Formate Mud Condition Hole
10:00	15:30	5.50	Slide & Drill f/2630' t/2970,
15:30	16:00	0.50	Rig Service
16:00	18:00	2.00	Slide & Drill f/2970 t/3065
18:00	2:00	8.00	Slide & Drill f/3065 t/3475
2:00	2:30	0.50	Rig Service
2:30	6:00	3.50	Slide & Drill f/3475 t/3602
		Total	**24.00**

Report by Jim Hogue | Date August 2, 2011

CONFIDENTIAL

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU76053

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: Middle Mesa - UTU

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Middle Mesa Fed 25-31-29-24

2. NAME OF OPERATOR: Patara Oil & Gas LLC

9. API NUMBER: 4303731903

3. ADDRESS OF OPERATOR: 600 17th St. Suite 1900S CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 825-0685

10. FIELD AND POOL, OR WILDCAT: Middle Mesa

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2361FSL 900FWL

COUNTY: San Juan County, UT

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 25 29S 24E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: _____	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
_____	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Well TD
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Patara Oil & Gas LLC, operator of the Middle Mesa Fed 25-31-29-24, reached Total Depth (TD) on Friday August 5, 2011 with the Frontier Rig 4. TD as drilled 6,150'.

Please contact Christopher Noonan with Patara with any questions. Thank you.

NAME (PLEASE PRINT) Christopher Noonan TITLE Production Technician

SIGNATURE _____ DATE 8/5/2011

(This space for State use only)

RECEIVED
AUG 17 2011
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

CONFIDENTIAL

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU76053

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: Middle Mesa - UTU

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Middle Mesa Fed 25-31-29-24

2. NAME OF OPERATOR: Patara Oil & Gas LLC

9. API NUMBER: 4303731903

3. ADDRESS OF OPERATOR: 600 17th St. Suite 1900S CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 825-0685

10. FIELD AND POOL, OR WILDCAT: Middle Mesa

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2361FSL 900FWL

COUNTY: San Juan County, UT

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 25 29S 24E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: 8/10/2011	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☑ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Patara Oil & Gas LLC (Patara) anticipates the need to lay the pipeline for this wellsite along the lease road on the surface, in opposition to burying the pipeline as stated in the original Application for Permit to Drill.

The 6" trunkline is buried along the County Road 191, aka Coyote Wash Road, with a riser at the junction of the access road. Patara requests authorization to install 4.5" STD wall, ERW, non-coated pipe along the access road on the surface. This is needed due to solid rock encountered beneath the topsoil. All other wells in the area have been installed with pipelines laid in this manner.

Please contact Christopher Noonan with Patara with any questions. Thank you.

RECEIVED
AUG 17 2011
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Christopher Noonan TITLE Production Technician

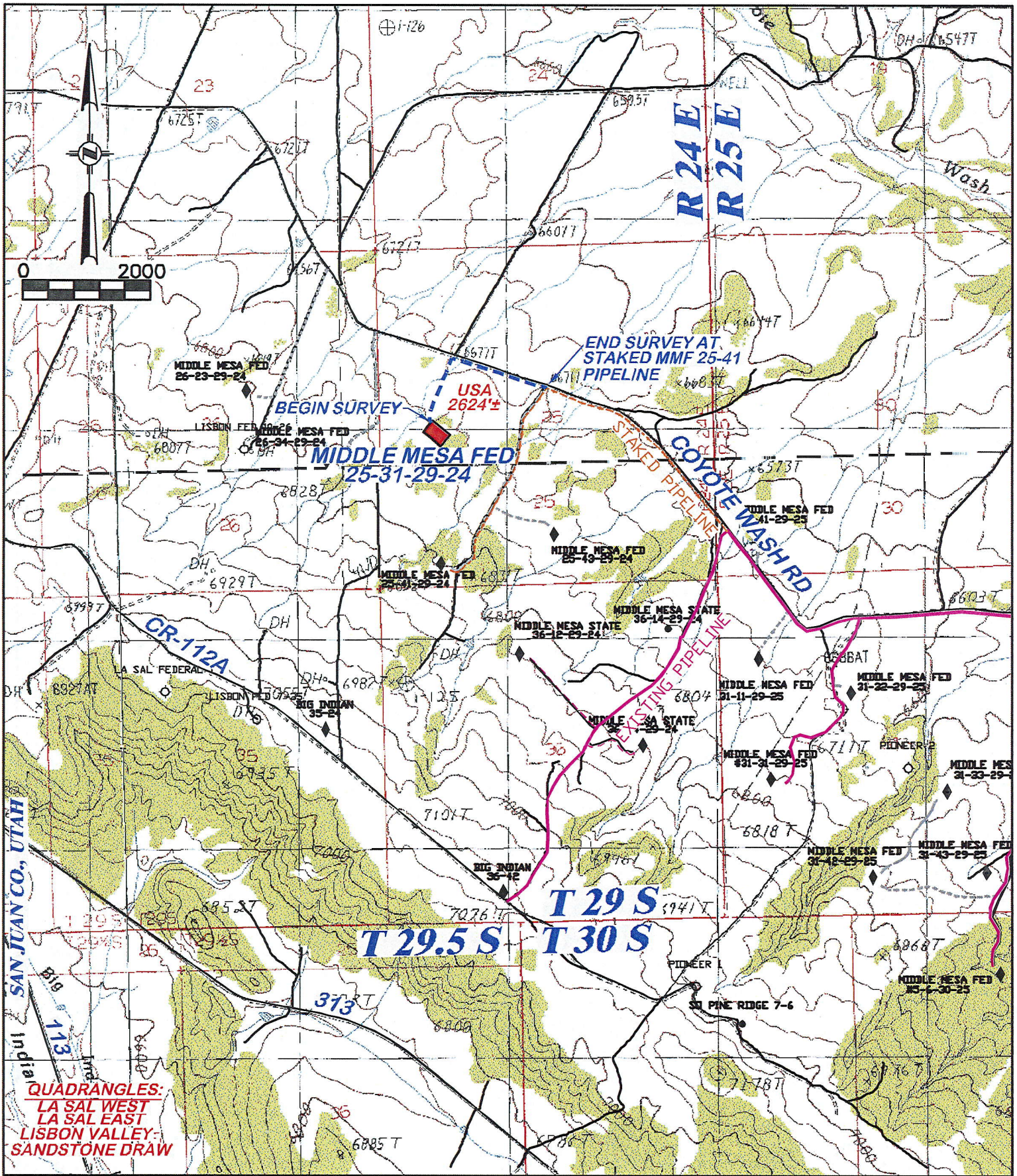
SIGNATURE DATE 8/8/2011

(This space for State use only)

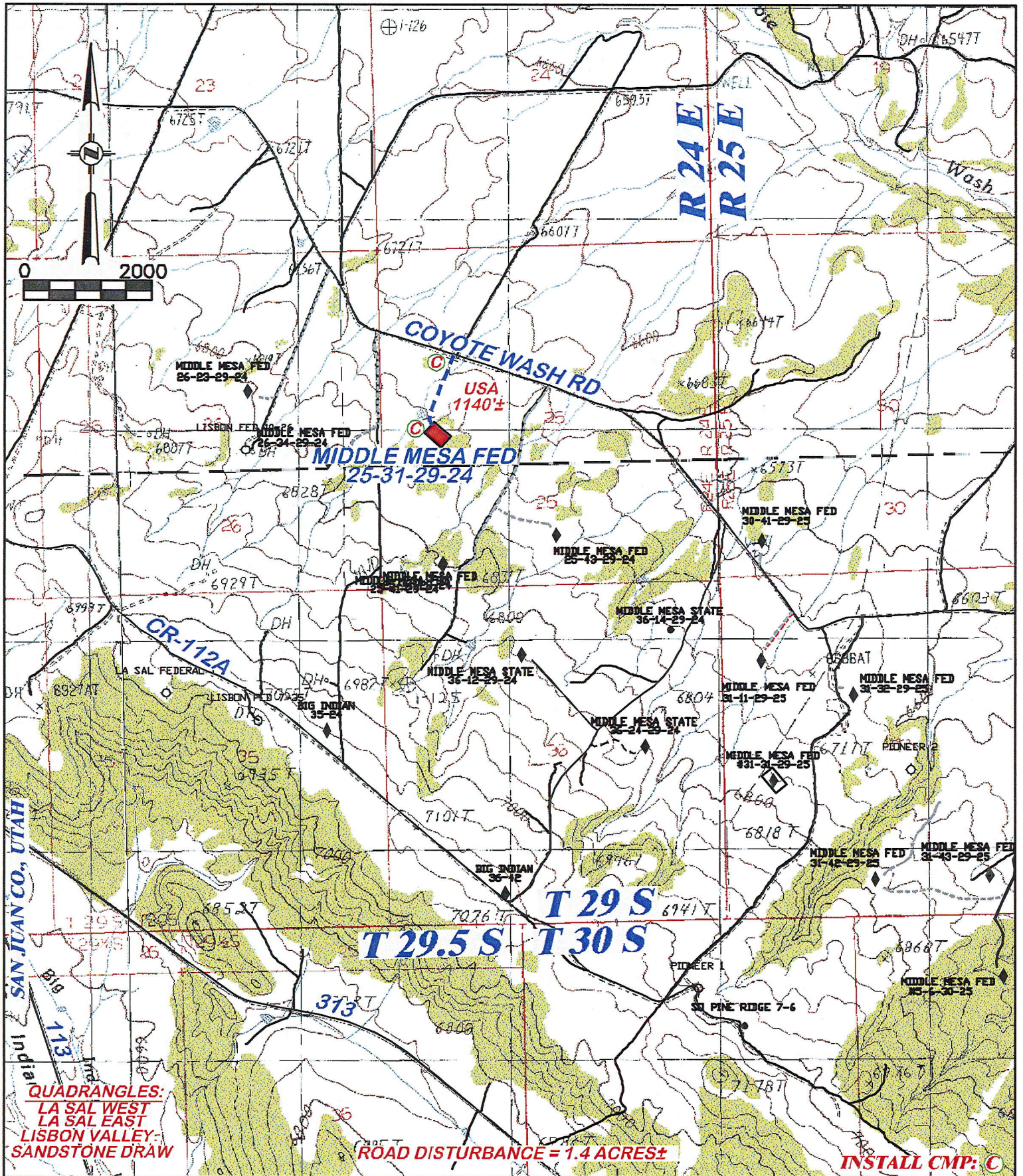
Accepted by the Utah Division of Oil, Gas and Mining
For Record Only

Federal Approval Of This Action Is Necessary

(5/2000) (See Instructions on Reverse Side)



DRG RIFFIN & ASSOCIATES, INC. (307) 362-5028 1414 ELK ST., ROCK SPRINGS, WY 82901	**PROPOSED PIPELINE FOR PATARA OIL & GAS, LLC. MIDDLE MESA FED 25-31-29-24**
DRAWN: 11/10/08	SCALE: 1" = 2000'
REVISED: 6/1/11 - TCM	DRG JOB No. 15800
TITLEBLOCK	EXHIBIT 4A
TOTAL PROPOSED LENGTH: 2624'±	
PROPOSED PIPELINE - - - - -	EXISTING ROAD ———



QUADRANGLES:
LA SAL WEST
LA SAL EAST
LISBON VALLEY-
SANDSTONE DRAW

ROAD DISTURBANCE = 1.4 ACRES±

INSTALL CMP: ©

DRG RIFFIN & ASSOCIATES, INC.
(307) 362-5028
1414 ELK ST., ROCK SPRINGS, WY 82901

PROPOSED ACCESS ROAD FOR PATARA OIL & GAS, LLC. MIDDLE MESA FED 25-31-29-24

DRAWN: 11/10/08	SCALE: 1" = 2000'	
REVISED: 6/1/11 - TCM	DRG JOB No. 15800	TOTAL PROPOSED LENGTH:1,140'
TITLEBLOCK	EXHIBIT 4	PROPOSED ACCESS - - - - - - EXISTING ROAD ———

Federal Approval of this Action is Necessary

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-76053

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: MIDDLE MESA

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: MIDDLE MESA FED 25-31-29-24

2. NAME OF OPERATOR: PATARA OIL & GAS, LLC

9. API NUMBER: 43037319030000

3. ADDRESS OF OPERATOR: 600 17th Street Ste 1900S , Denver, CO, 80202

PHONE NUMBER: 303 825-0685 Ext

9. FIELD and POOL or WILDCAT: UNDESIGNATED

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2361 FSL 0900 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSW Section: 25 Township: 29.0S Range: 24.0E Meridian: S

COUNTY: SAN JUAN

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 8/23/2011	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
	☐ DEEPEN	✓ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
☐ SPUD REPORT Date of Spud:	✓ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Patara Oil & Gas LLC (Patara) intends to begin completion operations on the subject well, and proposes the following procedures: Perforate the La Sal Sandstone 5,966 - 5,984 feet - 2spf 5,990 - 5,994 feet - 2spf Fracture stimulate well with 59,400lbs N2 foam with 20/40 proppant, 44 bio-balls. Install frac plug at 5,750'. Perforate the Honaker Trial 1 Sandstone 5,475 - 5,479' - 4spf 5,465 - 5,469' - 4spf 5,442 - 5,446' - 4spf Fracture stimulate well with 34,800lbs CO2 foam with 20/40 proppant, 66 bio-balls. Upon successful completion of the above operations and pipeline construction, Patara will turn the well to sales. A completion report will follow shortly. Please contact Christopher Noonan with Patara Oil & Gas LLC with any questions. Thank you.

Accepted by the Utah Division of Oil, Gas and Mining

Date: 09/20/2011

By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Christopher Noonan	303 563-5377	Production Technician
SIGNATURE N/A		**DATE** 9/1/2011

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MIDDLE MESA 25-31-29-24
NW SW Section 25-T29S-R24E
San Juan County, Utah
API # 43-037-31903

Recommended Completion Procedure
J. Warren 8/17/2011

Well Data:

KB: 6748'
GL: 6736'

Surface Casing: 8 5/8" J-55 32#/ft set at 2519 ft.
Cemented to surface.

Production Casing: 4 ½" N-80 11.60#/ft LT&C set at 6145 ft.
Cemented w/ 510 sks 12.5 ppg, 2.15 yield cement.
Capacity: 0.0155 bbls/ft

TOC: 2500'
PBTD: 6068'

CBL run by Lone Wolf Wireline

Tubing head: Wood Group 11" 5K x 4 1/16" 10K, tested at 5000 psi.
2 – 2 1/16" 10K Ball Valves

Recommended Completion Procedure

1. Fill cellar and rat / mouse holes. Blade location. Hole is full of treated water. Weatherford ran the open hole logs and should provide a copy to the field. RU Lone Wolf and run a CBL from PBTD to TOC. RU rig pump and pressure up on casing to 2000 psi. Make a 2nd pass on the CBL from PBTD to 4500'. RD Lone Wolf Wireline. Keep a copy of the CBL on site for later use.

2. Unload 6300' of 2 3/8" J-55 4.7#/ft 8rd EUE tubing to be shipped from Bourland & Leverich (Chad Grimes 970-324-0454).

3. RU Monument workover rig and equipment. NU BOPE. MU 4 ½"csg scraper and TIH on tbg to PBTD.

4. RU N2 Unit and unload fluid from hole. TOOH w/ tbg and LD csg scraper. ND BOPE and NU frac head.

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5. RU Lone Wolf Wireline. RU lubricator and pressure up on well to 1000 psi w/ N2. RIH w/ hollow carrier casing guns and perforate the La Sal Sandstone 2 spf w/ 120 degree phasing:

5966 – 5984'	18'	36 holes
5990 – 5994'	4'	8 holes
	22'	44

6. RD Lone Wolf Wireline and the N2 Unit.

7. RU Phoenix Wireline and RIH w/ BHP recorders. Be sure there is still 1000 psi on the csg to compensate for the wellbore storage. Take gradients every 1000'. Shut in well for a 72 hr buildup. **Note: Frac dates are the 26th and 27th so need to plan to pull the BHP recorders in time to at least meet the 27th date.**

8. Set frac tanks and fill w/ 6% KCL as designated by the Baker Hughes frac recommendation. Set BJ's sandmaster and fill with 20/40 brown sand for both stages of the upcoming job.

9. Remove BHP recorders taking gradients every 500' to FL then every 1000' thereafter. Have Phoenix send the data and plots to the Denver office.

10. RU workover rig. Kill well if necessary using 6% KCL water. TOOH LD tubing. ND BOPE and NU frac head. RD rig.

11. RU Baker Hughes frac equipment, ProTechnics isotopes and Lone Wolf Wireline. Lone Wolf Wireline should have perforating guns and 4 ½" Halliburton Obsidian frac plug for the next stage. RU N2 trucks for stage 1 and have CO2 trucks on standby for stage 2.

12. Frac the La Sal Sandstone per the frac procedure. Breakdown the formation with 6% KCL water and 44 bio-balls. Surge balls if necessary. ProTechnics is to tag the pad & 1 ppg, 2 ppg and the 3 & 4 ppg stages with three isotopes. Maximum pressure limit is to be 6600 psi. Flush to perfs with N2 foam.

13. RIH w/ frac plug and perforating guns. Set frac plug at 5750 ft. Perforate the Honaker Trail 1 formation w/ 4 spf at 90 degree phasing:

o	5475 – 5479'	4'	16 holes
o	5465 – 5469'	4'	16 holes
o	5442 – 5446'	4'	16 holes
		12'	48

14. Switch out N2 trucks w/ CO2 transports. Breakdown the formation with 6% KCL water and 48 bio-balls. Surge balls if necessary. ProTechnics is to tag the pad & 1 ppg, 2 ppg

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and the 3 & 4 ppg stages with three isotopes. Maximum pressure limit is to be 6600 psi. Flush to perfs with CO2 foam. Take ISIP, 5 min, 10 min and 15 min pressure readings. SI well for 12 hrs. RD Baker Hughes, ProTechnics and Lone Wolf Wireline.

15. RU flow testers. Open well to clean up frac load. Record hourly readings of volumes and rates.

16. When N2 and CO2 rates decline and fluid rates can be handled through the site production equipment, turn well to sales.

17. **Want to get separate oil/gas samples from the Honaker Trail 1 formation for recombination analysis.** Once cleaned up, RU Lone Wolf Wireline. MU kill plug and set between the frac plug and the Honaker Trail 1 perfs. Set at 5550 ft. Blow down well, expect that the Honaker Trail 1 zone will load up with oil. MU SN w/ plug and strip in hole to 5400 ft. Swab in well and take an oil and gas sample. Send the samples to _____ for recombination analysis.

18. Kill well w/ 6% KCL water and TOOH. MU bit, pump off mandrel, SN, one jt tbg, SN and TIH. Drill out kill plug and frac plug. Push remnants to btm. PU tbg to 5400 ft and pump off bit. ND BOPE and NU tree. Hookup sand trap and flowline. Return well to sales.

19. RD rig and clear location. Hook up diesel tanks and injection equipment down the annulus. Commence scheduled paraffin cutting operations.

20. After a few weeks, RU ProTechnics and RIH w/ a Scanalog and Completion Profiler. Be sure that ProTechnics is looking for all three phases: oil, gas and water.

21. Will plan to leave the tbg hung at 5400' until such time that there is intent to open the Honaker Trail 2 & 3 sands.

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Proposal No: 703750729A

Patara Oil & Gas LLC
MIDDLE MESA FEDERAL #25-31-29-24

API # 43-037-31903-0000
PINE RIDGE SOUTH Field
25-29S-24E
San Juan County, Utah
August 17, 2011

Well Proposal

Prepared for:
John Warren
Production Manager
Patara Oil & Gas
Bus Phone: 303 563-5369
Email: jwarren@pataraog.com
Mobile: 303 349-8560

Prepared by:
Frank Culler
District Technical Supervisor
Farmington, New Mexico

POWERVISION®
POWERPRO • POWERTRAX • POWERLINK

Service Point:
Farmington
Bus Phone: (505) 327-6222
Fax: (505) 327-5766

Service Representatives:
Harry Mitchell
Senior Sales Rep
Farmington, New Mexico

Gr4105

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Operator Name: Patara Oil & Gas LLC
Well Name: MIDDLE MESA FEDERAL #25-31-29-24
Job Description: 70Q N2 foam frac stage 59.4 K20/40 brn
Date: August 17, 2011

Proposal No: 703750729A

JOB AT A GLANCE

Surface Treating Pressure (max)	4,773	psi
Slurry HHP (avg)	1,385	hhp
Total Rate (max)	33.95	bpm
Slurry Rate (max)	20.00	bpm
Nitrogen Rate (max)	37,356	scfm
Estimated Pump Time (HH:MM)	00:50	
Nitrogen Pumped Volume	1,281,612	scf
Nitrogen Cooldown Volume	250,000	scf

Foamed Fluid	47,851 gals	70Q LIGHTNING 20
Foamed Flush	3,795 gals	70q LINEAR
KCl Water	9,000 gals	6% KCL water
Proppants	59,400 lb	Sand, Brown, 20/40

maximum allowable pressure is 6600 psi.

Job to be traced with radioactive tracers provided by protechnics.

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Well Name: MIDDLE MESA FEDERAL #25-31-29-24
Job Description: 70Q N2 foam frac stage 59.4 K20/40 brn
Date: August 17, 2011

Proposal No: 703750729A

WELL DATA

RESERVOIR DATA

Formation	La Sal
Formation Type	Sandstone
Pay Zone Height	22 ft
MD Depth to Middle Perforation	5,980 ft
TVD Depth to Middle Perforation	5,903 ft
Fracture Gradient	0.90 psi/ft
Bottom Hole Fracture Pressure	5,313 psi
Bottom Hole Static Temperature	119 °F

PERFORATED INTERVAL

DEPTH(ft)		Shots per Foot	Perf Diameter (in)	Total Perfs
MEASURED	TRUE VERTICAL			
5,966 - 5,984	5,812 - 5,830	2	0.34	36
5,990 - 5,994	5,990 - 5,994	2	0.34	8

Total Number of Perforations	44
Total Feet Perforated	22 ft

TUBULAR GEOMETRY

				Top	Bottom
Casing	4 1/2" O.D.	(4.000" .I.D)	11.6 # N-80	0	6,840

Pump Via Casing

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Job Description: 70Q N2 foam frac stage 59.4 K20/40 brn
Date: August 17, 2011

Proposal No: 703750729A

FLUID SPECIFICATIONS

Foamed Fluid: 70Q LIGHTNING 20

Foam Volume: 47,851 Gallons
Pumped Liquid 15,161 Gallons
Pumped Gas Volume: 1,185 Mscf Nitrogen

Components:

5 gpt	FAW-4	Foaming Agent
5 gpt	GW-3LDF	Gelling Agent
2 ppt	GBW-5	Gel Breaker
	(LAST 2000 GAL FLUID)	
1.5 gpt	BF-7L	Buffers/Ph Control Product
1 gpt	InFlo 250W	Surfactant
1 gpt	XLW-32	Crosslinker
1 ppt	High Perm CRB-LT	Gel Breaker
0.5 gpt	Enzyme G-I	Gel Breaker
0.05 gpt	Magnacide 575	Bacteria Control Product

Foamed Flush: 70q LINEAR

Foam Volume: 3,795 Gallons
Pumped Liquid 1,139 Gallons
Pumped Gas Volume: 96 Mscf Nitrogen

Components:

5 gpt	FAW-4	Foaming Agent
5 gpt	GW-3LDF	Gelling Agent
2 ppt	GBW-5	Gel Breaker
1 gpt	InFlo 250W	Surfactant
0.5 gpt	Enzyme G-I	Gel Breaker
0.05 gpt	Magnacide 575	Bacteria Control Product

KCl Water: 6% KCL water

9,000 Gallons

Components:

0.05 gpt	Magnacide 575	Bacteria Control Product

Proppants 59,400 lb 100% Sand, Brown, 20/40

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Operator: Patara Oil & Gas LLC
Well Name: MIDDLE MESA FEDERAL #25-31-29-24
Job Description: 70Q N2 foam frac stage 59.4 K20/40 brn
Date: August 17, 2011

Proposal No: 703750729A

FRACTURE TREATMENT SCHEDULE
NITROGEN FOAM

INPUT PARAMETERS

TVD Depth (Mid Perforation)	5,903 ft
MD Depth (Mid Perforation)	5,980 ft
Perforations Number	44
Perforation Diameter	0.340 in
Bottom Hole Frac Pressure	5,313 psi
Bottom Hole Static Temperature	119 °F
Fluid Specific Gravity	1.010
Fluid Temperature in Tanks	60 °F
Nitrogen Temperature at Surface	110 °F

				Top	Bottom
Casing	4 1/2" O.D.	(4.000" I.D.)	11.6 # N-80	0	6,840

CALCULATED TEMPERATURES

	Maximum	Minimum	Average
System at Wellhead	68 °F	60 °F	
System at Perforation	120 °F	62 °F	
System at Formation (mean)			111 °F

CALCULATED RATES, PRESSURES & HHP REQUIREMENTS

	Maximum	Minimum	Average
Surface Treating Pressure (psi)	4,773	3,080	4,245
Slurry Rate (bpm)	20.0	0.0	13.3
Nitrogen Rate (scfm)	37,356	11	32,578
Proppant Rate (lbs/min)	4,980	1,407	2,266
Slurry Hydraulic Horsepower	1,641	1	1,385

Volumes, Rates and Qualities are based on Downhole Temperature and Pressures.

Operator: Patara Oil & Gas LLC
Well Name: MIDDLE MESA FEDERAL #25-31-29-24
Job Description: 70Q N2 foam frac stage 59.4 K20/40 brn
Date: August 17, 2011

Proposal No: 703750729A

FRACTURE TREATMENT SCHEDULE
NITROGEN FOAM

PROCEDURE

Stage	Downhole Foam				Wellhead Rates				
	Clean Volume (gal)	Prop. Conc. (ppa)	Mitchell Quality %	Total Rate (bpm)	Total Foam (bpm)	Blender Slurry (bpm)	Clean Fluid (bpm)	Prop (lb/min)	Nitrogen (scfm)
1	9000	0.000	0.00	20.0	20.0	20.0	20.0	0.0	0
2	1	0.000	70.00	0.0	0.0	0.0	0.0	0.0	11
3	12000	0.000	70.00	35.0	34.8	10.5	10.5	0.0	37316
4	17100	1.000	69.00	35.0	35.2	12.0	10.5	1406.4	35002
5	15400	2.000	67.00	35.0	35.7	13.4	10.5	2696.2	32881
6	1900	3.000	66.00	35.0	36.1	14.7	10.5	3883.2	30930
7	1450	4.000	65.00	35.0	36.5	15.9	10.5	4979.3	29130
8	3795	0.000	70.00	35.0	35.6	10.5	10.5	0.0	37356
	60646								

SYSTEM QUALITIES

Stage	Mitchell Quality						Slurry Quality						Average Specific Gravity
	Wellhead		Perforations		Formation		Wellhead		Perforations		Formation		
	N	T	N	T	N	T	N	T	N	T	N	T	
1	0	0	0	0	0	0	0	0	0	0	0	0	1.011
2	72	72	70	70	70	70	72	72	70	70	70	70	0.524
3	70	70	69	69	70	70	70	70	69	69	70	70	0.527
4	69	69	67	67	69	69	66	70	64	68	66	70	0.628
5	68	68	66	66	67	67	62	70	60	69	62	70	0.720
6	67	67	65	65	66	66	59	71	57	69	58	70	0.806
7	66	66	63	63	65	65	56	71	53	69	55	70	0.884
8	71	71	69	69	70	70	71	71	69	69	70	70	0.527

N = Nitrogen and T = Total

NOTE: The Mitchell Quality is the Gas Rate divided by the Gas + Gel Rate. It is the Quality ignoring Proppant. The Slurry Quality includes proppant as a portion of the Internal Gas Phase. The Total

Volumes, Rates and Qualities are based on Downhole Temperature and Pressures.

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Well Name: MIDDLE MESA FEDERAL #25-31-29-24
Job Description: 70Q N2 foam frac stage 59.4 K20/40 brn
Date: August 17, 2011

Proposal No: 703750729A

FRACTURE TREATMENT SCHEDULE
NITROGEN FOAM

PRODUCT QUANTITIES

Stg	Totals						Proppant		
	Clean Fluid		Foam Slurry		Nitrogen				
	Stage (bbls)	Cum (bbls)	Stage (bbls)	Cum (bbls)	Stage (Mscf)	Cum (Mscf)	Type	Stage (lbs)	Cum (lbs)
1	214.3	214.3	214.3	214.3	0.00	0.00	Pump In & Balls		
2	0.0	214.3	0.0	214.3	0.03	0.03	Shut Down 5 M		
3	85.7	300.0	285.7	500.0	304.62	304.64	Pad		
4	127.7	427.7	425.6	925.6	425.58	730.22	Sand, Brown, 20/4	17100	17100
5	119.9	547.6	399.8	1325.4	375.62	1105.84	Sand, Brown, 20/4	30800	47900
6	15.4	563.0	51.4	1376.8	45.40	1151.24	Sand, Brown, 20/4	5700	53600
7	12.2	575.3	40.8	1417.5	33.93	1185.17	Sand, Brown, 20/4	5800	59400
8	27.1	602.4	90.4	1507.9	96.44	1281.61	Flush		59400

TREATMENT SCHEDULE

Stage	Surface Treating Pressure (psi)	Proppant Concentration (ppa)		Wellhead Rates		Slurry Volume Without Nitrogen		Nitrogen		Stage Pump Time hh:mm:ss
		Form	Blender	Blndr Slurry	N2 (scfm)	(bbls)	(cum)	Conc. scf/bbl	Sol. scf/bbl	
1	3079	0.000	0.000	20.00	0	214.3	214.3	0	25	00:10:42
2	4084	0.000	0.000	0.00	11	0.0	214.3	3503	25	00:02:22
3	4773	0.000	0.000	10.50	37316	85.7	300.0	3554	25	00:08:09
4	4637	1.000	3.189	12.01	35002	146.1	446.1	3334	25	00:12:09
5	4495	2.000	6.114	13.40	32881	153.1	599.2	3132	25	00:11:25
6	4356	3.000	8.805	14.68	30930	21.5	620.7	2946	25	00:01:28
7	4221	4.000	11.291	15.86	29130	18.5	639.2	2774	25	00:01:09
8	4554	0.000	0.000	10.50	37356	27.1	666.3	3558	25	00:02:34

Total Pump Time: 00:50:03

Volumes, Rates and Qualities are based on Downhole Temperature and Pressures.

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Operator Name: Patara Oil & Gas LLC
Well Name: MIDDLE MESA FEDERAL #25-31-29-24
Job Description: 70Q CO2 foam frac 34.8 K 20/40 brn
Date: August 17, 2011

Proposal No: 703750729A

JOB AT A GLANCE

Surface Treating Pressure (max)	3,515 psi	
Total HHP (max)	3,245 hhp	
Fluid HHP (avg)	1,000 hhp	
CO2 HHP (avg)	1,354 hhp	
Total Rate (max)	28.30 bpm	
Fluid Rate (max)	20.00 bpm	
CO2 Rate (max)	18.86 bpm	
Estimated Pump Time (HH:MM)	00:30	
Nitrogen Cooldown Volume	10,000 scf	
CO2 Volume	75.73 tons	
CO2 Cooldown	15.00 tons	
Foamed Fluid	23,935 gals	70Q CO2 Medallion
Foamed Flush	3,552 gals	70q LINEAR
KCl Water	6,000 gals	6% KCL
Proppants	34,800 lb	Sand, Brown, 20/40

Co2 to be furnished by Praxair and charged directly to Patara.

6600 PSI Maximum allowable pressure.

Radioactive tracing to be done by Protechnics.

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Proposal No: 703750729A

WELL DATA

RESERVOIR DATA

Formation	Honaker Trail 1
Formation Type	Sandstone
MD Depth to Middle Perforation	5,461 ft
TVD Depth to Middle Perforation	5,379 ft
Reservoir Pressure	1,122 psi
Fracture Gradient	0.90 psi/ft
Bottom Hole Fracture Pressure	4,841 psi
Bottom Hole Static Temperature	112 °F

PERFORATED INTERVAL

DEPTH(ft)		Shots per Foot	Perf Diameter (in)	Total Perfs
MEASURED	TRUE VERTICAL			
5,442 - 5,446	5,442 - 5,446	4	0.34	16
5,465 - 5,469	5,312 - 5,326	4	0.34	16
5,475 - 5,479	5,322 - 5,326	4	0.34	16

Total Number of Perforations	48
Total Feet Perforated	12 ft

TUBULAR GEOMETRY

				Top	Bottom
Casing	4 1/2" O.D.	(4.000" .I.D)	11.6 # L-80	0	5,600

Pump Via Casing

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Well Name: MIDDLE MESA FEDERAL #25-31-29-24
Job Description: 70Q CO2 foam frac 34.8 K 20/40 brn
Date: August 17, 2011

Proposal No: 703750729A

FLUID SPECIFICATIONS

Foamed Fluid: 70Q CO2 Medallion

Foam Volume:	23,935 Gallons
Pumped Liquid	7,653 Gallons
Pumped Gas Volume:	65.71 tons CO2

Components:

6.25 gpt	GW-38LBF	Gelling Agent
5 gpt	FAW-4	Foaming Agent
2 gpt	NE-900, drum	Non-Emulsifier
2 ppt	GBW-5	Gel Breaker
	(LAST 2000 GAL FLUID)	
2 ppt	High Perm CRB-LT	Gel Breaker
1 gpt	InFlo 250W	Surfactant
0.8 gpt	XLW-60	Crosslinker
0.05 gpt	Magnacide 575	Bacteria Control Product

Foamed Flush: 70q LINEAR

Foam Volume:	3,552 Gallons
Pumped Liquid	1,066 Gallons
Pumped Gas Volume:	10.02 tons CO2

Components:

6.25 gpt	GW-38LBF	Gelling Agent
5 gpt	FAW-4	Foaming Agent
2 ppt	GBW-5	Gel Breaker
1 gpt	InFlo 250W	Surfactant
0.5 gpt	Enzyme G-I	Gel Breaker
0.05 gpt	Magnacide 575	Bacteria Control Product

KCl Water: 6% KCL

6,000 Gallons

Proppants 34,800 lb 100% Sand, Brown, 20/40

Operator Name: Patara Oil & Gas LLC
Well Name: MIDDLE MESA FEDERAL #25-31-29-24
Job Description: 70Q CO2 foam frac 34.8 K 20/40 brn
Date: August 17, 2011

Proposal No: 703750729A

FRACTURE TREATMENT SCHEDULE
CARBON DIOXIDE GAS SYSTEM

INPUT PARAMETERS

TVD Depth (Mid Perforation)	5,379 ft
MD Depth (Mid Perforation)	5,461 ft
Perforations Number	48
Perforation Diameter	0.340 in
Bottom Hole Frac Pressure	4,841 psi
Bottom Hole Static Temperature	112 °F
CO2 Transport Pressure	250 psi
Fluid Specific Gravity	1.010
Fluid Temperature in Tanks	70 °F

				Top	Bottom
Casing	4 1/2" O.D.	(4.000" I.D.)	11.6 # L-80	0	5,600

CALCULATED TEMPERATURES

	Maximum	Minimum	Average
CO2 Discharge	8 °F	3 °F	
System at Wellhead	70 °F	37 °F	
System at Perforation	108 °F	42 °F	
System at Formation (mean)			99 °F

CALCULATED RATES, PRESSURES & HHP REQUIREMENTS

	Maximum	Minimum	Average
Surface Treating Pressure (psi)	3,515	2,579	3,202
Surface CO2 Rate (high pressure bpm)	18.9	0.1	17.2
Slurry Rate (bpm)	20.0	0.0	12.7
Proppant Rate (lbs/min)	4,269	1,206	2,505
Slurry Hydraulic Horsepower	1,723	2	1,000
CO2 Hydraulic Horsepower	1,522	4	1,354

Volumes, Rates and Qualities are based on Downhole Temperature and Pressures.

Operator Name: Patara Oil & Gas LLC
Well Name: MIDDLE MESA FEDERAL #25-31-29-24
Job Description: 70Q CO2 foam frac 34.8 K 20/40 brn
Date: August 17, 2011

Proposal No: 703750729A

FRACTURE TREATMENT SCHEDULE
CARBON DIOXIDE GAS SYSTEM

RATE SCHEDULE

Stage	Downhole System			Wellhead Rates					
	Clean Volume (gal)	Prop. Conc. (ppa)	Total Rate (bpm)	Total System (bpm)	Clean System (bpm)	Blender Slurry (bpm)	Clean Fluid (bpm)	Prop (lb/min)	Carbon Dioxide (bpm)
1	6000	0.000	20.0	20.0	20.0	20.0	20.0	0.0	0.0
2	1	0.000	0.1	0.1	0.1	0.0	0.0	0.0	0.1
3	8000	0.000	30.0	28.3	27.8	9.0	9.0	0.0	18.8
4	5001	1.000	30.0	28.4	26.7	10.3	9.0	1205.5	17.7
5	5000	2.000	30.0	28.6	25.7	11.5	9.0	2311.0	16.7
6	3933	3.000	30.0	28.7	24.7	12.6	9.0	3328.5	15.7
7	2000	4.000	30.0	28.9	23.9	13.6	9.0	4268.0	14.9
8	3552	0.000	30.0	28.4	27.9	9.0	9.0	0.0	18.9

FLUID & PROPPANT QUANTITIES

Stage	Surface Stage Totals				Surface Cumulative Totals			
	Slurry (bbls)	Prop. (lbs)	CO2		Slurry (bbls)	Prop. (lbs)	CO2	
			(bbls)	(tons)			(bbls)	(tons)
1	142.9	0	0.0	0.0	142.9	0	0.0	0.0
2	0.0	0	0.0	0.0	142.9	0	0.0	0.0
3	57.1	0	119.4	22.5	200.0	0	119.4	22.5
4	42.7	5001	73.4	13.8	242.7	5001	192.8	36.4
5	49.7	10000	72.1	13.6	292.4	15001	265.0	50.0
6	44.6	11799	55.8	10.5	337.0	26800	320.7	60.5
7	25.5	8000	27.8	5.2	362.5	34800	348.6	65.7
8	25.4	0	53.2	10.0	387.9	34800	401.7	75.7

NOTE: CO2 Barrel Volumes calculated for high pressure barrels.

Volumes, Rates and Qualities are based on Downhole Temperature and Pressures.

RECEIVED Sep. 01, 2011

Operator Name: Patara Oil & Gas LLC
Well Name: MIDDLE MESA FEDERAL #25-31-29-24
Job Description: 70Q CO2 foam frac 34.8 K 20/40 brn
Date: August 17, 2011

Proposal No: 703750729A

FRACTURE TREATMENT SCHEDULE
CARBON DIOXIDE GAS SYSTEM

PROCEDURE

Stage	Downhole Volumes					Proppant			
	Clean			Slurry					
	System	Fluid		System		Type	Stage (lbs)	Cum (lbs)	Prop. (lb/min)
	(gals)	(gals)	(bbls)	(gals)	(bbls)				
1	6000	6000	142.9	6000	142.9	Pump In			
2	1	0	0.0	1	0.0	Shut Down 5 M			
3	8000	2400	57.1	8000	190.5	Pad			
4	5001	1568	37.3	5227	124.5	100%Sand, Brown,	5001	5001	1205.5
5	5000	1636	38.9	5452	129.8	100%Sand, Brown,	10000	15001	2311.0
6	3933	1340	31.9	4467	106.3	100%Sand, Brown,	11799	26800	3328.5
7	2000	709	16.9	2362	56.2	100%Sand, Brown,	8000	34800	4268.0
8	3552	1066	25.4	3552	84.6	Flush		34800	
Totals	33487	14718	350.4	35061	834.8		34800	34800	

TREATMENT SCHEDULE

Stg	Proppant Concentration (ppa)		Wellhead Rates			Slurry Volume Without CO2		CO2 (tons)		Stage Pump Time
	Form.	Blender	Blndr Slurry (bpm)	Clean Fluid (bpm)	CO2 (bpm)	(bbls)	(cum)	(stg)	(cum)	hh:mm:ss
1	0.000	0.000	20.00	20.0	0.0	142.9	142.9	0.0	0.0	00:07:08
2	0.000	0.000	0.03	0.0	0.1	0.0	142.9	0.0	0.0	00:00:14
3	0.000	0.000	9.00	9.0	18.8	57.1	200.0	22.5	22.5	00:06:20
4	1.000	3.189	10.30	9.0	17.7	42.7	242.7	13.8	36.4	00:04:08
5	2.000	6.114	11.49	9.0	16.7	49.7	292.4	13.6	50.0	00:04:19
6	3.000	8.805	12.58	9.0	15.7	44.6	337.0	10.5	60.5	00:03:32
7	4.000	11.291	13.60	9.0	14.9	25.5	362.5	5.2	65.7	00:01:52
8	0.000	0.000	9.00	9.0	18.9	25.4	387.9	10.0	75.7	00:02:49
									Total Pump Time:	00:30:26

Volumes, Rates and Qualities are based on Downhole Temperature and Pressures.

RECEIVED Sep. 01, 2011

Operator Name: Patara Oil & Gas LLC
Well Name: MIDDLE MESA FEDERAL #25-31-29-24
Job Description: 70Q CO2 foam frac 34.8 K 20/40 brn
Date: August 17, 2011

Proposal No: 703750729A

FRACTURE TREATMENT SCHEDULE
CARBON DIOXIDE GAS SYSTEM

SYSTEM QUALITIES

Stage	Mitchell Quality						Slurry Quality					
	Wellhead		Perforations		Formation		Wellhead		Perforations		Formation	
	C	T	C	T	C	T	C	T	C	T	C	T
1	0	0	0	0	0	0	0	0	0	0	0	0
2	68	68	70	70	70	70	68	68	70	70	70	70
3	68	68	68	68	70	70	68	68	68	68	70	70
4	67	67	66	66	69	69	68	68	68	68	70	70
5	66	66	65	65	67	67	69	69	68	68	70	70
6	64	64	63	63	66	66	69	69	68	68	70	70
7	63	63	62	62	65	65	69	69	68	68	70	70
8	68	68	68	68	70	70	68	68	68	68	70	70

C = Carbon Dioxide and T = Total

NOTE: The Mitchell Quality is the Gas Rate divided by the Gas + Gel Rate. It is the Quality ignoring Proppant. The Slurry Quality includes proppant as a portion of the Internal Gas Phase. The Total Slurry Quality is commonly designed at a constant quality or 'Constant Internal Phase'.

MISCELLANEOUS DATA

Stage	Surface Treating Pressure (psi)	Average System Specific Gravity	Carbon Dioxide		Stage Pump Time hh:mm:ss	Total Pump Time hh:mm:ss
			Conc. scf/bbl	Solubility scf/bbl		
1	3515	1.011	0	214	00:07:08	00:07:08
2	2579	0.963	6597	240	00:00:14	00:07:22
3	3301	0.981	6786	240	00:06:20	00:13:43
4	3172	1.055	6377	240	00:04:08	00:17:52
5	3051	1.123	6003	240	00:04:19	00:22:12
6	2939	1.185	5658	240	00:03:32	00:25:45
7	2836	1.243	5339	239	00:01:52	00:27:37
8	3086	0.982	6791	240	00:02:49	00:30:26
					Total Pump Time:	00:30:26

maximum allowable pressure is 6600 psi.

Volumes, Rates and Qualities are based on Downhole Temperature and Pressures.

RECEIVED Sep. 01, 2011

Operator: Patara Oil & Gas LLC
Well Name: MIDDLE MESA FEDERAL #25-
Job Description: 70Q CO2 foam frac 34.8 K 20/40
Date: August 17, 2011

Proposal No: 703750729A

PRICE ESTIMATE

Equipment

QTY	UNIT	PRODUCT DESCRIPTION	UNIT PRICE	GROSS AMOUNT	DISC (%)	NET AMOUNT
5	pump/hr	Fuel per pump charge - frac	124.25	621.25	0.0	621.25
1	pump/hr	Fuel per pump charge - frac - blender	62.25	62.25	0.0	62.25
1	job	Service Charge on CO2/N2 4 in Valve	2,625.00	2,625.00	60.0	1,050.00
1	job	Chemical Additive Unit	2,140.00	2,140.00	60.0	856.00
1	job	Line Restraint System - Stimulation	7,950.00	7,950.00	60.0	3,180.00
15	hrs	Minimum pump non-pump time	2,085.00	31,275.00	60.0	12,510.00
2	2hrs	Frac Eqp Min, 1.2-1.9K HHP, Init hrs	11,800.00	23,600.00	60.0	9,440.00
1	job	Data Acquisition, Frac/Acid-Enhanced	7,875.00	7,875.00	60.0	3,150.00
1	day	Gel Monitoring	1,290.00	1,290.00	60.0	516.00
1	day	Sand King, less than 300,000 lb	2,370.00	2,370.00	60.0	948.00
2	job	Densiometer	1,635.00	3,270.00	60.0	1,308.00
1	day	Flowmeter Used with CO2	515.00	515.00	60.0	206.00
1	job	LFC Hydration Unit	4,525.00	4,525.00	60.0	1,810.00
1569	gals	Proppant Conc Charge/1.1-4.0 lbs	0.19	298.11	60.0	119.24
2976	gals	Proppant Conc Charge/6.1-9.0 lbs	0.62	1,845.12	60.0	738.05
709	gals	Proppant Conc Charge/9.1-12.0 lbs	0.80	567.20	60.0	226.88
1	use	Positive Feed Ball Injector	1,220.00	1,220.00	60.0	488.00
1	job	N2 Target Flowmeter	830.00	830.00	60.0	332.00
1	2hrs	N2 Pump, 0-4k scfm, 5001 - 7000 psi	3,200.00	3,200.00	60.0	1,280.00
15	hrs	N2 Pump, Non Pumping Time	321.00	4,815.00	60.0	1,926.00
1	pump/hr	Fuel per pump charge - nitrogen	61.00	61.00	0.0	61.00
		Equipment Subtotal:		$100,954.93		$40,828.67

Freight/Delivery Charges

QTY	UNIT	PRODUCT DESCRIPTION	UNIT PRICE	GROSS AMOUNT	DISC (%)	NET AMOUNT
2958	tonmi	Bulk Delivery, Dry Products	3.03	8,962.74	60.0	3,585.10
		Freight/Delivery Charges Subtotal:		$8,962.74		$3,585.10
		TOTAL:		**$175,604.22**		**$70,833.29**

Customer will be charged for all 'SPECIAL PROPPANTS' delivered to location, whether they are pumped or not. All proppants other than standard grade frac sand are considered 'SPECIAL PROPPANTS'.
The technical data contained in this proposal is based on the best information available at the time of writing and is subject to further analysis and testing. The pricing data contained in this proposal are estimates only and may vary depending on the work actually performed. Pricing does not include federal, state and local taxes or royalties.
This quotation is based on BJ Services Company being awarded the work on a first call basis and within thirty (30) days of the proposal date. These prices will be subject to review if the work is done after thirty (30) days from the proposal date, or on a second or third call basis.

CONDITIONS

BJ Services' performance of services and sale of materials is expressly conditioned upon the applicability of the Terms and Conditions contained in the current BJ Services Price Book. The Terms and Conditions include, among other things, an indemnity in favor of BJ Services from Customer for damage to the well bore, reservoir damage, loss of the hole, blowouts and loss of control of the well, even if caused by the negligence or other fault of BJ Services. The Terms and Conditions also limit the warranties provided by the BJ Services and the remedies to which Customer may be entitled in the event of a breach of warranty by BJ Services. For these reasons, we strongly recommend that you carefully review a copy of the Terms and Conditions. **If you do not have a copy of the BJ Services Price Book, you can view the Terms and Conditions on BJ Services Web Site, www.bjservices.com. By requesting that BJ Services perform the services described herein, Customer acknowledges that such Terms and Conditions are applicable to the services. Further, by requesting the services, Customer warrants that its representative on the well location or other service site will be fully authorized to acknowledge such Terms and Conditions by executing a Field Receipt or other document presented by BJ Services containing such Terms and Conditions.**

In the event that Customer and BJ Services have executed a Master Services Agreement covering the work to be performed, such Master Services Agreement shall govern in place of the Terms and Conditions. If you are interested in entering into Master Services Agreement with BJ Services, please contact us through the "Go BJ" button on the BJ Services Web Site.

RECEIVED Sep. 01, 2011

Operator: Patara Oil & Gas LLC
Well Name: MIDDLE MESA FEDERAL #25-31-29-24
Date: August 17, 2011

Proposal No: 703750729A

PRODUCT DESCRIPTIONS

BF-7L
A liquid pH control agent used to adjust fracturing gels into the pH range of 8.5 to 10.5. This product was designed to retain its buffering capacity at high temperatures.

Enzyme G-I
A patented, polymer specific enzyme breaker custom formulated to degrade polymer into non-damaging components.

FAW-4
An anionic surfactant specifically designed for use as a universal foaming agent for all linear or crosslinked water-based systems. FAW-4 has excellent foaming properties at a wide range of temperatures while in the presence of diesel oil and up to 10% Methanol.

GBW-5
An oxidative breaker formulated to degrade polymers used in fracturing, workover and remedial treatments. It can be used at moderate temperature ranges. An additional catalyst allows its use at low temperature ranges.

GW-38LBF
High yield, low residue guar derivative in environmentally friendly solution used to prepare hydraulic fracturing fluid systems.

GW-3LDF
A guar gum gelling agent slurried in a environmentally friendly hydrocarbon carrier. Used to prepare hydraulic fracturing fluid systems.

High Perm CRB-LT
A controlled release breaker (C.R.B.) for use in water-base fracturing fluids. Controlled release coating allows proppant transport and then after pumping it degrades the base polymer for crosslinked and linear gel systems.

Magnacide 575
Magnacide 575 represents a completely new class of antimicrobial chemistry that combines superior antimicrobial activity with a relatively benign (harmless) toxicology profile. It is effective in controlling aerobic, anaerobic, and sulfate reducIng bacteria.

NE-900, drum
A nonionic non-emulsifier with excellent load recovery capabilities in some reservoirs.

Sand, Brown, 20/40
A rounded quartz sand, commonly known as "Brady". It is used in closure pressure situations less than 5,000 psi. The sand is washed, dried and then screened to meet or exceed the various API mesh size specifications.

XLW-32
A liquid Borate crosslinker (Boric Acid) used in gel systems.

XLW-60
The primary Zirconium crosslinker for the Medallion gel system.

Operator Name: Patara Oil & Gas LLC
Well Name: MIDDLE MESA FEDERAL #25-31-29-24
Date: August 17, 2011

Proposal No: 703750729A

End of Report

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

AMENDED REPORT ☐ (highlight changes)

FORM 8

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU76053

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ DRY ☐ OTHER

7. UNIT or CA AGREEMENT NAME:

b. TYPE OF WORK: NEW WELL ☑ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER

8. WELL NAME and NUMBER: Middle Mesa Fed 25-31-29-24

2. NAME OF OPERATOR: Patara Oil & Gas LLC

9. API NUMBER: 4303731903

3. ADDRESS OF OPERATOR: 600 17th St, Ste 1900S CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 825-0685

10 FIELD AND POOL, OR WILDCAT: Pine Ridge South

4. LOCATION OF WELL (FOOTAGES)

AT SURFACE: 2361' FSL 900' FWL Sec. 25 T29S R24E BHLby HSM

7/20/11 Changed to 1968SL & 28 FEL

AT TOP PRODUCING INTERVAL REPORTED BELOW: 1951' FSL 82' FEL Sec. 26 T29S R24E

AT TOTAL DEPTH: ~~1951' FSL 99' FEL~~ Sec. 26 T29S R24E 1921 FSL 90 FEL

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 25 29S 24E S

12. COUNTY: San Juan

13. STATE: UTAH

14. DATE SPUDDED: 7/25/2011

15. DATE T.D. REACHED: 8/4/2011

16. DATE COMPLETED: 8/29/2011 ABANDONED ☐ READY TO PRODUCE ☑

17. ELEVATIONS (DF, RKB, RT, GL): 6734 GL

18. TOTAL DEPTH: MD 6,150 TVD 6,003

19. PLUG BACK T.D.: MD 6,105 TVD 5,961 58

20. IF MULTIPLE COMPLETIONS, HOW MANY? * 2

21. DEPTH BRIDGE PLUG SET: MD TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)

LOGS WILL BE SENT VIA UPS TO THE BLM MOAB

23.

WAS WELL CORED?	NO ☑	YES ☐	(Submit analysis)
WAS DST RUN?	NO ☑	YES ☐	(Submit report)
DIRECTIONAL SURVEY?	NO ☐	YES ☑	(Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
16	16 Con	Con	0	60		G 50		0 - Cir	
12.25	8.625 J-55	32	0	2,618		G 531		0 - Cir	
7.875	4.5 N-80	11.6	0	6,131		G 510		2500 - CBL	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2.375	5,337							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) Honaker Trail	5,442	5,479		
(B) La Sal	5,966	5,994		
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
5,442 5,446	.34	36	Open ☑ Squeezed ☐
5,465 5,469	.34	36	Open ☑ Squeezed ☐
5,475 5,479	.34	36	Open ☑ Squeezed ☐
5,966 5,984	.34	36	Open ☑ Squeezed ☐

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
5442 - 5446	FRAC TREATED 8/26/2011 W/46708# 20/40 SAND AND CO2 FOAM
5465 - 5469	FRAC TREATED 8/26/2011 W/46708# 20/40 SAND AND CO2 FOAM
5475 - 5479	FRAC TREATED 8/26/2011 W/46708# 20/40 SAND AND CO2 FOAM

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OCT 07 2011
DIV. OF OIL, GAS & MINING

29. ENCLOSED ATTACHMENTS:

☑ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☑ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER:

30. WELL STATUS: PR

(5/2000)

(CONTINUED ON BACK)

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
8/29/2011	8/29/2011	24		90	800	64	Flow

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:
32/64	220		0.75		8,888		90	800	64	Flow

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

Sold

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Honaker Trail	4,254	5,608		Honaker Trail	4,254
La Sal	4,608	6,029		La Sal	5,608

35. ADDITIONAL REMARKS (Include plugging procedure)

Remaining Perfs: 5966 - 5984 w/ 36 holes & 5990 - 5994 w/ 8 holes.

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Christopher A. Noonan TITLE Production Technician

SIGNATURE DATE 10/4/2011

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

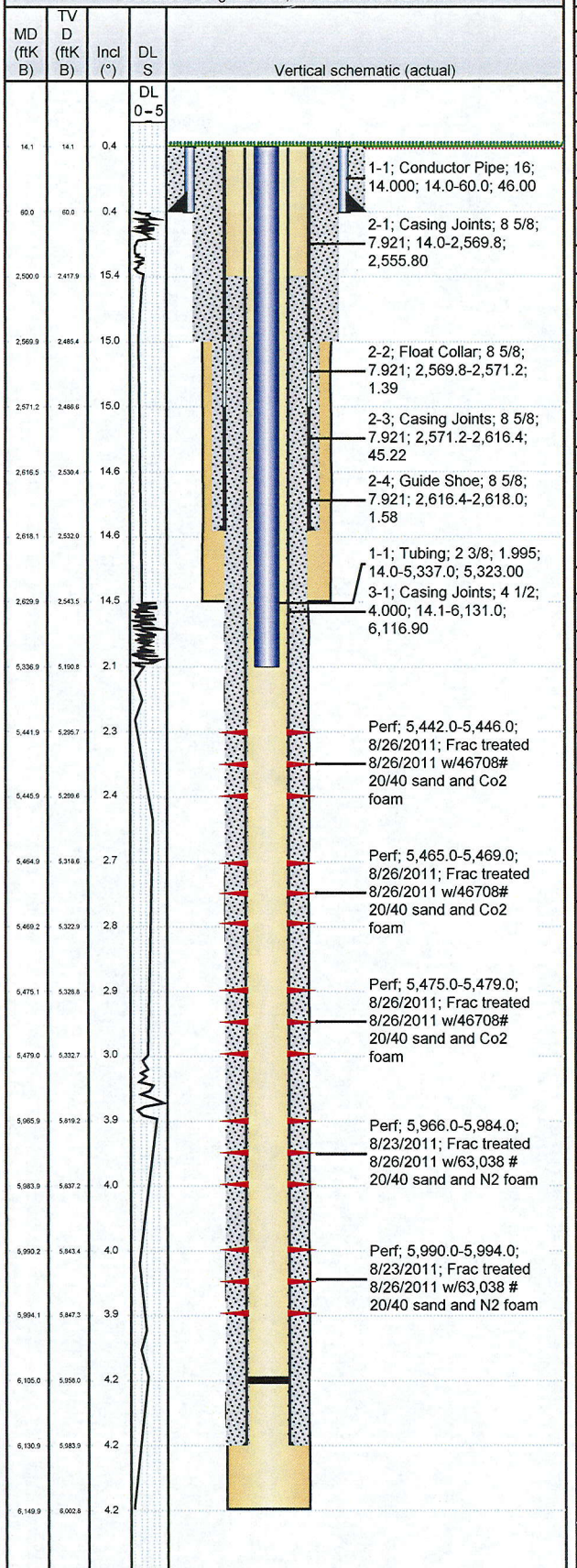
(5/2000)

Patara Oil & Gas LLC — Downhole Well Profile - Well Completion Report

Well Name: Middle Mesa Federal 25-31-29-24

API/UWI	Surface Legal Location	Field Name	License #	State/Province	Well Configuration Type
43-037-31903	Sec. 25 T29S R24E	Pine Ridge South	43-037-31903	Utah	Deviated
Original KB Elevation (ft)	**KB-Tubing Head Distance (ft)**	**Spud Date**	**Rig Release Date**	**PBTD (All) (ftKB)**	**Total Depth All (TVD) (ftKB)**
6,750.00	11.00	7/25/2011 08:30	8/6/2011 06:00	Original Hole - 6,105.0	Original Hole - 6,002.9

Deviated - Original Hole, 10/4/2011 1:39:27 PM



Date of First Sales

On Production Date: 8/29/2011

Wellbore Section Summary

Section Des	Size (in)	Act Top (ftKB)	Act Btm (ftKB)	Start Date	End Date	Act Top (TVD) (ftKB)	Act Btm (TVD) (ftKB)
Conductor	16	14.0	60.0	7/24/2011	7/25/2011		
Surface	12 1/4	60.0	2,630.0	7/25/2011	7/30/2011		2,543.5
Production	7 7/8	2,630.0	6,150.0	7/30/2011	8/7/2011	2,543.5	6,002.9

Casing Strings

Csg Des	OD (in)	Wt/Len (lb/ft)	Grade	Set Depth (ftKB)	Set Depth (TVD) (ftKB)
Conductor	16	0.25	Cond	60.0	
Surface	8 5/8	32.00	J-55	2,618.0	2,531.9
Production	4 1/2	11.60	N-80	6,131.0	5,984.0

Cement

Conductor Cement, Casing, 7/23/2011 00:00

Fluid	Est Top (ftKB)	Est Btm (ftKB)	Est Btm (TVD) (ftKB)	Est Top (TVD) (ftKB)	Class	Amount (sacks)	Yield (ft³/sack)	Dens (lb/gal)
Lead	14.0	60.0			G	50		

Surface Casing Cement, Casing, 7/30/2011 00:00

Fluid	Est Top (ftKB)	Est Btm (ftKB)	Est Btm (TVD) (ftKB)	Est Top (TVD) (ftKB)	Class	Amount (sacks)	Yield (ft³/sack)	Dens (lb/gal)
Lead	0.0	2,000.0	1,939.6		G	406	2.81	11.60
Tail	2,000.0	2,618.0	2,531.9	1,939.6	G	125	1.47	14.20

Production Casing Cement, Casing, 8/7/2011 00:00

Fluid	Est Top (ftKB)	Est Btm (ftKB)	Est Btm (TVD) (ftKB)	Est Top (TVD) (ftKB)	Class	Amount (sacks)	Yield (ft³/sack)	Dens (lb/gal)
Lead	2,500.0	6,131.0	5,984.0	2,417.9	G	510	2.15	12.50

Perforations

Date	Top Depth (ftKB)	Btm (ftKB)	Zone	Shot Dens (shots...
8/26/2011	5,442.0	5,446.0	Honaker Trail 1, Original Hole	4.0
Comment: Frac treated 8/26/2011 w/46708# 20/40 sand and Co2 foam				
8/26/2011	5,465.0	5,469.0	Honaker Trail 1, Original Hole	4.0
Comment: Frac treated 8/26/2011 w/46708# 20/40 sand and Co2 foam				
8/26/2011	5,475.0	5,479.0	Honaker Trail 1, Original Hole	4.0
Comment: Frac treated 8/26/2011 w/46708# 20/40 sand and Co2 foam				
8/23/2011	5,966.0	5,984.0	La Sal, Original Hole	2.0
Comment: Frac treated 8/26/2011 w/63,038 # 20/40 sand and N2 foam				
8/23/2011	5,990.0	5,994.0	La Sal, Original Hole	2.0
Comment: Frac treated 8/26/2011 w/63,038 # 20/40 sand and N2 foam				

Tubing Strings

Tubing Description	Run Date	String Length (ft)	Set Depth (ftKB)
Tubing - Production	10/2/2011	5,323.00	5,337.0

Item Des	Jts	Make	Model	OD (in)	Wt (lb/ft)	Grade	Len (ft)
Tubing	169		T&C Upset	2 3/8	4.70	J-55	5,323.00

Production Volumes Test Date

Start Date: 8/29/2011 **End Date:** 8/30/2011

Gas Volume Over Test Date

Product Type: Reservoir Gas **Volume (MCF):** 800.000

Liquid Volumes Over Test Date

Production Type: Oil **Volume (bbl):** 90.0

Production Type: Water **Volume (bbl):** 64.0

Gas Gravity

Comment: .745

Oil Gravity

Comment: .55

Patara Oil & Gas, LLC

San Juan County, UT
Middle Mesa
Middle Mesa 25-31-29-24
Frontier #4

Survey: Final Survey Report

Standard Survey Report

06 August, 2011

CRESCENT
DIRECTIONAL DRILLING

Patara Oil & Gas, LLC
Middle Mesa 25-31-29-24
San Juan County, UT

CRESCENT DIRECTIONAL DRILLING

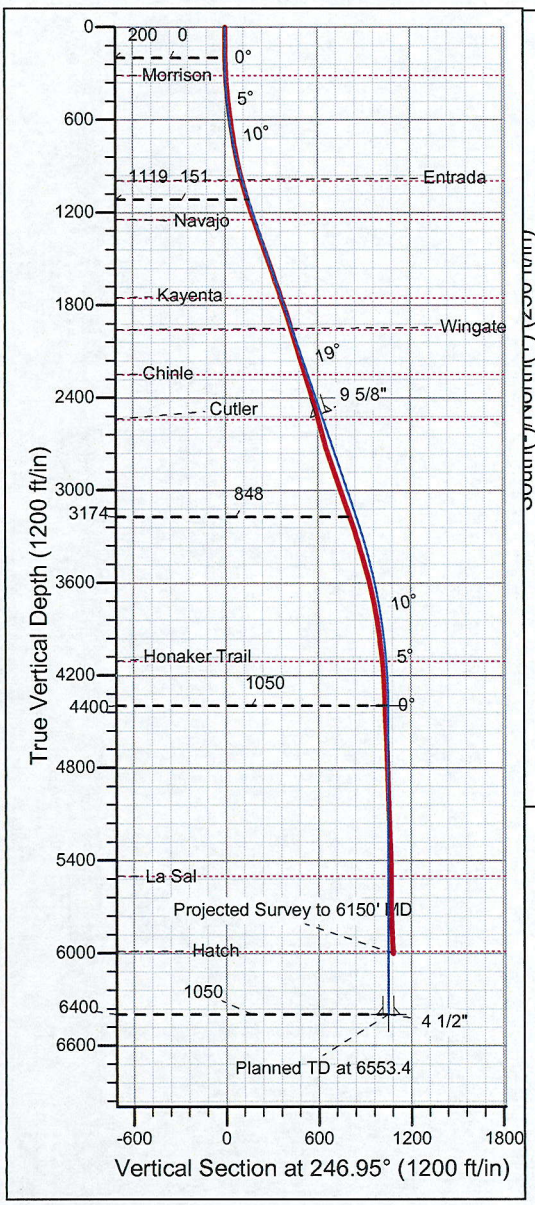
Geodetic System: US State Plane 1927 (Exact solution)
Zone: Utah South 4303
WELL @ 6748.0ft (Frontier #4 (12' KB))
Ground Level: 6736.0
Latitude: 38° 15' 4.817 N
Longitude: 109° 13' 56.870 W
Magnetic North is 10.69° East of True North (Magnetic Declination)

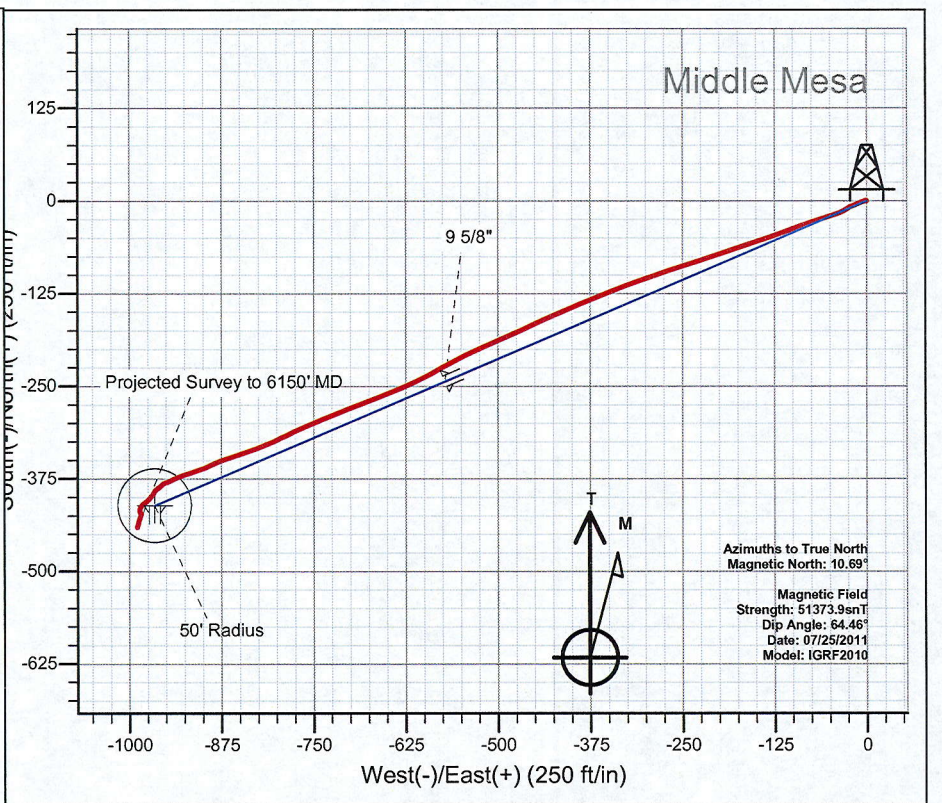
SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
200.0	0.00	0.00	200.0	0.0	0.0	0.00	0.00	0.0	
1135.8	18.72	246.95	1119.3	-59.3	-139.4	2.00	246.95	151.5	
3305.6	18.72	246.95	3174.3	-332.0	-780.0	0.00	0.00	847.7	
4553.4	0.00	0.00	4400.0	-411.1	-965.9	1.50	180.00	1049.7	MM 25-31 Target 1
6553.4	0.00	0.00	6400.0	-411.1	-965.9	0.00	0.00	1049.7	

WELLBORE TARGET DETAILS (LAT/LONG)

Name	TVD	+N/-S	+E/-W	Latitude	Longitude	Shape
MM 25-31 Target 1	4400.0	-411.1	-965.9	38° 15' 0.753 N	109° 14' 8.978 W	Circle (Radius: 0.0)
MM 25-31 PBHL	6400.0	-411.1	-965.9	38° 15' 0.753 N	109° 14' 8.978 W	Circle (Radius: 50.0)





Plan: Approved Plan 07/25/11 (Middle Mesa 25-31-29-24/Frontier #4)

Created By: Mike Kirby Date: 7:03, August 06 2011

Checked: _____ Date: _____

Reviewed: _____ Date: _____

Approved: Date:

Crescent Directional Drilling, LP

Survey Report

Company:	Patara Oil & Gas, LLC	**Local Co-ordinate Reference:**	Well Middle Mesa 25-31-29-24
Project:	San Juan County, UT	**TVD Reference:**	WELL @ 6748.0ft (Frontier #4 (12' KB))
Site:	Middle Mesa	**MD Reference:**	WELL @ 6748.0ft (Frontier #4 (12' KB))
Well:	Middle Mesa 25-31-29-24	**North Reference:**	True
Wellbore:	Frontier #4	**Survey Calculation Method:**	Minimum Curvature
Design:	Frontier #4	**Database:**	EDM 2003.16 Single User Db

Project	San Juan County, UT		
Map System:	US State Plane 1927 (Exact solution)	**System Datum:**	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	Utah South 4303		

Site	Middle Mesa				
Site Position:		**Northing:**	584,903.28 ft	**Latitude:**	38° 15' 4.817 N
From:	Lat/Long	**Easting:**	2,651,127.55 ft	**Longitude:**	109° 13' 56.870 W
Position Uncertainty:	0.0 ft	**Slot Radius:**	"	**Grid Convergence:**	1.39 °

Well	Middle Mesa 25-31-29-24					
Well Position	**+N/-S**	0.0 ft	**Northing:**	584,903.28 ft	**Latitude:**	38° 15' 4.817 N
	+E/-W	0.0 ft	**Easting:**	2,651,127.55 ft	**Longitude:**	109° 13' 56.870 W
Position Uncertainty		0.0 ft	**Wellhead Elevation:**	6,748.0 ft	**Ground Level:**	6,736.0 ft

Wellbore	Frontier #4				
Magnetics	**Model Name**	**Sample Date**	**Declination (°)**	**Dip Angle (°)**	**Field Strength (nT)**
	IGRF2010	07/25/11	10.69	64.46	51,374

Design	Frontier #4				
Audit Notes:					
Version:	1.0	**Phase:**	ACTUAL	**Tie On Depth:**	0.0
Vertical Section:	**Depth From (TVD) (ft)**	**+N/-S (ft)**	**+E/-W (ft)**	**Direction (°)**	
	0.0	0.0	0.0	246.94	

Survey Program **Date** 08/06/11

From (ft)	To (ft)	Survey (Wellbore)	Tool Name	Description
112.0	6,150.0	Final Survey Report (Frontier #4)	MWD	

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
112.0	0.40	1.70	112.0	0.4	0.0	-0.2	0.36	0.36	0.00
142.0	0.50	350.90	142.0	0.6	0.0	-0.2	0.44	0.33	-36.00
172.0	0.40	280.60	172.0	0.8	-0.1	-0.2	1.75	-0.33	-234.33
203.0	1.20	267.30	203.0	0.8	-0.6	0.2	2.63	2.58	-42.90
234.0	1.80	256.20	234.0	0.6	-1.4	1.0	2.14	1.94	-35.81
265.0	2.50	249.60	265.0	0.3	-2.5	2.2	2.39	2.26	-21.29
297.0	3.30	244.10	296.9	-0.4	-3.9	3.8	2.64	2.50	-17.19
329.0	3.90	254.40	328.9	-1.0	-5.8	5.8	2.75	1.87	32.19
361.0	5.00	247.30	360.8	-1.9	-8.2	8.2	3.84	3.44	-22.19
392.0	5.60	247.00	391.6	-3.0	-10.8	11.1	1.94	1.94	-0.97
424.0	5.60	249.60	423.5	-4.1	-13.7	14.2	0.79	0.00	8.12
456.0	5.50	244.60	455.3	-5.3	-16.5	17.3	1.54	-0.31	-15.62

Crescent Directional Drilling, LP

Survey Report

Company:	Patara Oil & Gas, LLC	**Local Co-ordinate Reference:**	Well Middle Mesa 25-31-29-24
Project:	San Juan County, UT	**TVD Reference:**	WELL @ 6748.0ft (Frontier #4 (12' KB))
Site:	Middle Mesa	**MD Reference:**	WELL @ 6748.0ft (Frontier #4 (12' KB))
Well:	Middle Mesa 25-31-29-24	**North Reference:**	True
Wellbore:	Frontier #4	**Survey Calculation Method:**	Minimum Curvature
Design:	Frontier #4	**Database:**	EDM 2003.16 Single User Db

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
487.0	6.20	245.60	486.2	-6.7	-19.4	20.5	2.28	2.26	3.23
518.0	6.80	241.00	517.0	-8.3	-22.5	24.0	2.56	1.94	-14.84
550.0	6.70	235.70	548.7	-10.2	-25.7	27.7	1.97	-0.31	-16.56
581.0	7.30	241.30	579.5	-12.2	-29.0	31.4	2.93	1.94	18.06
613.0	7.80	245.20	611.2	-14.1	-32.7	35.6	2.24	1.56	12.19
645.0	8.00	247.20	642.9	-15.9	-36.7	40.0	1.06	0.62	6.25
677.0	8.50	249.60	674.6	-17.5	-41.0	44.6	1.90	1.56	7.50
708.0	8.80	250.20	705.2	-19.1	-45.4	49.3	1.01	0.97	1.94
740.0	9.70	253.60	736.8	-20.7	-50.3	54.4	3.29	2.81	10.62
772.0	10.10	252.70	768.4	-22.3	-55.5	59.9	1.34	1.25	-2.81
803.0	11.10	253.90	798.8	-24.0	-61.0	65.5	3.30	3.23	3.87
835.0	11.60	253.00	830.2	-25.8	-67.0	71.8	1.66	1.56	-2.81
866.0	11.80	252.40	860.6	-27.6	-73.0	78.0	0.76	0.65	-1.94
898.0	12.10	250.00	891.9	-29.8	-79.3	84.6	1.81	0.94	-7.50
930.0	12.60	251.10	923.1	-32.0	-85.8	91.5	1.73	1.56	3.44
962.0	13.20	249.60	954.3	-34.4	-92.5	98.6	2.15	1.87	-4.69
994.0	13.90	249.50	985.4	-37.1	-99.5	106.1	2.19	2.19	-0.31
1,025.0	14.70	249.80	1,015.5	-39.7	-106.7	113.7	2.59	2.58	0.97
1,057.0	15.50	249.90	1,046.4	-42.6	-114.5	122.1	2.50	2.50	0.31
1,089.0	16.30	250.50	1,077.1	-45.6	-122.8	130.8	2.55	2.50	1.87
1,120.0	17.20	251.40	1,106.8	-48.5	-131.2	139.7	3.02	2.90	2.90
1,151.0	18.10	251.40	1,136.4	-51.5	-140.1	149.1	2.90	2.90	0.00
1,182.0	18.30	251.80	1,165.8	-54.5	-149.3	158.7	0.76	0.65	1.29
1,214.0	18.50	251.40	1,196.2	-57.7	-158.9	168.8	0.74	0.62	-1.25
1,246.0	18.70	251.70	1,226.5	-61.0	-168.6	179.0	0.69	0.62	0.94
1,310.0	19.00	251.90	1,287.1	-67.4	-188.2	199.6	0.48	0.47	0.31
1,374.0	19.10	251.80	1,347.6	-73.9	-208.1	220.4	0.16	0.16	-0.16
1,435.0	19.20	251.50	1,405.2	-80.2	-227.1	240.3	0.23	0.16	-0.49
1,498.0	19.30	251.90	1,464.7	-86.7	-246.8	261.0	0.26	0.16	0.63
1,561.0	19.40	251.80	1,524.1	-93.2	-266.6	281.8	0.17	0.16	-0.16
1,624.0	19.40	251.50	1,583.5	-99.8	-286.5	302.7	0.16	0.00	-0.48
1,688.0	19.40	250.60	1,643.9	-106.7	-306.6	323.9	0.47	0.00	-1.41
1,751.0	19.10	249.20	1,703.4	-113.9	-326.1	344.6	0.87	-0.48	-2.22
1,814.0	19.40	249.40	1,762.8	-121.2	-345.5	365.4	0.49	0.48	0.32
1,877.0	18.50	247.60	1,822.4	-128.7	-364.6	385.8	1.70	-1.43	-2.86
1,940.0	17.50	247.90	1,882.4	-136.1	-382.6	405.3	1.59	-1.59	0.48
2,004.0	17.10	247.40	1,943.5	-143.3	-400.2	424.3	0.67	-0.62	-0.78
2,067.0	16.50	245.30	2,003.8	-150.6	-416.9	442.5	1.35	-0.95	-3.33
2,131.0	17.00	245.90	2,065.1	-158.2	-433.7	461.0	0.83	0.78	0.94
2,193.0	17.40	246.60	2,124.3	-165.6	-450.4	479.3	0.73	0.65	1.13
2,257.0	17.30	246.00	2,185.4	-173.3	-467.9	498.4	0.32	-0.16	-0.94
2,321.0	17.60	245.50	2,246.4	-181.2	-485.4	517.6	0.52	0.47	-0.78
2,384.0	17.20	246.30	2,306.5	-188.9	-502.6	536.4	0.74	-0.63	1.27
2,447.0	16.10	246.40	2,366.9	-196.1	-519.1	554.5	1.75	-1.75	0.16
2,511.0	15.30	245.20	2,428.5	-203.2	-534.9	571.8	1.35	-1.25	-1.87
2,567.0	15.00	243.80	2,482.6	-209.5	-548.1	586.4	0.84	-0.54	-2.50
2,670.0	14.10	240.10	2,582.3	-221.6	-571.0	612.2	1.26	-0.87	-3.59
2,701.0	15.20	240.40	2,612.3	-225.5	-577.8	620.0	3.56	3.55	0.97
2,732.0	16.10	241.20	2,642.1	-229.6	-585.1	628.3	2.99	2.90	2.58
2,763.0	16.60	242.00	2,671.8	-233.7	-592.8	637.0	1.77	1.61	2.58
2,795.0	16.80	242.70	2,702.5	-238.0	-600.9	646.1	0.89	0.62	2.19
2,827.0	16.70	244.00	2,733.1	-242.2	-609.2	655.3	1.21	-0.31	4.06
2,858.0	17.70	245.40	2,762.8	-246.1	-617.4	664.5	3.49	3.23	4.52
2,889.0	18.70	247.10	2,792.2	-250.0	-626.3	674.2	3.65	3.23	5.48

Crescent Directional Drilling, LP

Survey Report

Company:	Patara Oil & Gas, LLC	**Local Co-ordinate Reference:**	Well Middle Mesa 25-31-29-24
Project:	San Juan County, UT	**TVD Reference:**	WELL @ 6748.0ft (Frontier #4 (12' KB))
Site:	Middle Mesa	**MD Reference:**	WELL @ 6748.0ft (Frontier #4 (12' KB))
Well:	Middle Mesa 25-31-29-24	**North Reference:**	True
Wellbore:	Frontier #4	**Survey Calculation Method:**	Minimum Curvature
Design:	Frontier #4	**Database:**	EDM 2003.16 Single User Db

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
2,921.0	19.50	248.70	2,822.4	-253.9	-636.0	684.6	2.99	2.50	5.00
2,952.0	19.40	249.40	2,851.7	-257.6	-645.7	695.0	0.82	-0.32	2.26
2,984.0	18.80	248.20	2,881.9	-261.4	-655.4	705.4	2.24	-1.87	-3.75
3,016.0	18.50	247.70	2,912.2	-265.2	-664.9	715.7	1.06	-0.94	-1.56
3,048.0	19.00	249.30	2,942.5	-269.0	-674.5	725.9	2.24	1.56	5.00
3,079.0	19.10	249.20	2,971.8	-272.6	-683.9	736.0	0.34	0.32	-0.32
3,111.0	18.90	248.80	3,002.1	-276.3	-693.7	746.5	0.75	-0.62	-1.25
3,142.0	18.90	248.00	3,031.4	-280.0	-703.0	756.5	0.84	0.00	-2.58
3,174.0	18.60	248.20	3,061.7	-283.8	-712.5	766.8	0.96	-0.94	0.62
3,206.0	18.50	247.60	3,092.1	-287.7	-722.0	777.0	0.67	-0.31	-1.87
3,237.0	19.50	248.10	3,121.4	-291.5	-731.3	787.0	3.27	3.23	1.61
3,269.0	19.40	248.30	3,151.5	-295.4	-741.2	797.7	0.38	-0.31	0.62
3,300.0	19.10	247.30	3,180.8	-299.3	-750.7	807.9	1.44	-0.97	-3.23
3,332.0	18.90	245.60	3,211.1	-303.4	-760.2	818.3	1.84	-0.62	-5.31
3,363.0	18.60	244.90	3,240.4	-307.6	-769.3	828.3	1.21	-0.97	-2.26
3,394.0	17.50	244.80	3,269.9	-311.7	-778.0	837.9	3.55	-3.55	-0.32
3,426.0	17.40	244.30	3,300.4	-315.8	-786.6	847.5	0.56	-0.31	-1.56
3,458.0	17.50	244.40	3,331.0	-320.0	-795.3	857.1	0.33	0.31	0.31
3,489.0	17.70	245.80	3,360.5	-323.9	-803.8	866.4	1.51	0.65	4.52
3,521.0	16.90	247.00	3,391.1	-327.7	-812.5	876.0	2.74	-2.50	3.75
3,553.0	16.00	248.10	3,421.7	-331.2	-820.9	885.0	2.98	-2.81	3.44
3,585.0	15.50	249.10	3,452.5	-334.4	-829.0	893.7	1.78	-1.56	3.12
3,617.0	15.70	250.70	3,483.4	-337.3	-837.0	902.3	1.48	0.62	5.00
3,649.0	15.70	250.70	3,514.2	-340.2	-845.2	910.9	0.00	0.00	0.00
3,680.0	15.40	250.40	3,544.0	-343.0	-853.1	919.2	1.00	-0.97	-0.97
3,712.0	15.10	251.90	3,574.9	-345.7	-861.0	927.6	1.55	-0.94	4.69
3,743.0	14.10	252.60	3,604.9	-348.1	-868.5	935.4	3.28	-3.23	2.26
3,774.0	12.80	250.80	3,635.1	-350.3	-875.3	942.6	4.41	-4.19	-5.81
3,806.0	11.80	246.40	3,666.3	-352.8	-881.7	949.4	4.28	-3.12	-13.75
3,838.0	11.60	245.50	3,697.7	-355.4	-887.6	955.9	0.85	-0.62	-2.81
3,869.0	11.10	244.70	3,728.0	-358.0	-893.1	962.0	1.69	-1.61	-2.58
3,901.0	10.80	247.20	3,759.5	-360.5	-898.7	968.1	1.76	-0.94	7.81
3,932.0	10.30	251.70	3,789.9	-362.5	-904.0	973.7	3.11	-1.61	14.52
3,964.0	9.60	252.80	3,821.5	-364.2	-909.2	979.2	2.27	-2.19	3.44
3,996.0	8.50	254.30	3,853.1	-365.6	-914.1	984.2	3.52	-3.44	4.69
4,027.0	7.90	252.80	3,883.7	-366.8	-918.3	988.6	2.05	-1.94	-4.84
4,058.0	7.70	252.00	3,914.5	-368.1	-922.3	992.8	0.73	-0.65	-2.58
4,090.0	7.50	249.30	3,946.2	-369.5	-926.3	997.0	1.28	-0.62	-8.44
4,122.0	6.40	248.30	3,977.9	-370.9	-929.9	1,000.9	3.46	-3.44	-3.12
4,154.0	6.50	245.60	4,009.7	-372.3	-933.2	1,004.5	1.00	0.31	-8.44
4,185.0	6.30	248.10	4,040.5	-373.7	-936.4	1,007.9	1.11	-0.65	8.06
4,217.0	5.90	245.40	4,072.4	-375.0	-939.5	1,011.3	1.54	-1.25	-8.44
4,249.0	5.90	246.00	4,104.2	-376.4	-942.5	1,014.6	0.19	0.00	1.87
4,281.0	5.20	244.10	4,136.0	-377.7	-945.3	1,017.7	2.26	-2.19	-5.94
4,312.0	4.90	247.10	4,166.9	-378.8	-947.8	1,020.5	1.29	-0.97	9.68
4,344.0	4.20	254.30	4,198.8	-379.7	-950.2	1,023.0	2.82	-2.19	22.50
4,376.0	3.70	246.50	4,230.7	-380.4	-952.3	1,025.2	2.29	-1.56	-24.37
4,408.0	3.40	239.30	4,262.7	-381.3	-954.0	1,027.1	1.68	-0.94	-22.50
4,439.0	2.80	230.60	4,293.6	-382.2	-955.4	1,028.8	2.45	-1.94	-28.06
4,471.0	2.20	220.10	4,325.6	-383.2	-956.4	1,030.1	2.35	-1.87	-32.81
4,503.0	1.60	213.10	4,357.6	-384.0	-957.0	1,031.0	2.01	-1.87	-21.87
4,535.0	1.40	223.40	4,389.6	-384.7	-957.6	1,031.7	1.05	-0.62	32.19
4,546.0	1.43	227.62	4,400.6	-384.9	-957.8	1,032.0	0.98	0.26	38.38
MM 25-31 Target 1									

Crescent Directional Drilling, LP

Survey Report

Company:	Patara Oil & Gas, LLC	**Local Co-ordinate Reference:**	Well Middle Mesa 25-31-29-24
Project:	San Juan County, UT	**TVD Reference:**	WELL @ 6748.0ft (Frontier #4 (12' KB))
Site:	Middle Mesa	**MD Reference:**	WELL @ 6748.0ft (Frontier #4 (12' KB))
Well:	Middle Mesa 25-31-29-24	**North Reference:**	True
Wellbore:	Frontier #4	**Survey Calculation Method:**	Minimum Curvature
Design:	Frontier #4	**Database:**	EDM 2003.16 Single User Db

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
4,566.0	1.50	234.80	4,420.6	-385.2	-958.2	1,032.5	0.98	0.36	35.89
4,598.0	2.10	236.10	4,452.6	-385.8	-959.0	1,033.5	1.88	1.87	4.06
4,629.0	1.80	239.00	4,483.5	-386.3	-959.9	1,034.5	1.02	-0.97	9.35
4,661.0	2.80	230.30	4,515.5	-387.1	-960.9	1,035.7	3.30	3.12	-27.19
4,693.0	3.00	232.20	4,547.5	-388.1	-962.2	1,037.3	0.69	0.62	5.94
4,725.0	3.40	229.70	4,579.4	-389.2	-963.6	1,039.0	1.32	1.25	-7.81
4,756.0	3.30	216.40	4,610.4	-390.6	-964.8	1,040.7	2.52	-0.32	-42.90
4,788.0	3.30	210.10	4,642.3	-392.1	-965.8	1,042.2	1.13	0.00	-19.69
4,820.0	3.30	210.20	4,674.3	-393.7	-966.7	1,043.7	0.02	0.00	0.31
4,852.0	3.30	208.50	4,706.2	-395.3	-967.6	1,045.1	0.31	0.00	-5.31
4,884.0	2.10	210.70	4,738.2	-396.6	-968.4	1,046.3	3.76	-3.75	6.87
4,915.0	1.60	227.30	4,769.2	-397.4	-969.0	1,047.2	2.35	-1.61	53.55
4,947.0	1.60	234.70	4,801.1	-397.9	-969.7	1,048.1	0.65	0.00	23.12
4,978.0	1.20	226.50	4,832.1	-398.4	-970.2	1,048.8	1.44	-1.29	-26.45
5,010.0	1.10	211.80	4,864.1	-398.9	-970.7	1,049.3	0.97	-0.31	-45.94
5,042.0	1.90	219.70	4,896.1	-399.6	-971.2	1,050.1	2.58	2.50	24.69
5,074.0	3.20	219.40	4,928.1	-400.7	-972.1	1,051.3	4.06	4.06	-0.94
5,105.0	4.20	221.90	4,959.0	-402.2	-973.4	1,053.1	3.27	3.23	8.06
5,137.0	3.40	219.80	4,991.0	-403.8	-974.8	1,055.0	2.54	-2.50	-6.56
5,168.0	2.50	233.70	5,021.9	-404.9	-975.9	1,056.5	3.69	-2.90	44.84
5,200.0	1.50	228.70	5,053.9	-405.6	-976.8	1,057.6	3.17	-3.12	-15.62
5,231.0	1.60	226.70	5,084.9	-406.2	-977.4	1,058.4	0.37	0.32	-6.45
5,263.0	1.60	236.60	5,116.9	-406.7	-978.1	1,059.2	0.86	0.00	30.94
5,294.0	1.60	233.20	5,147.9	-407.2	-978.8	1,060.1	0.31	0.00	-10.97
5,326.0	2.10	233.50	5,179.8	-407.8	-979.6	1,061.1	1.56	1.56	0.94
5,358.0	2.20	232.10	5,211.8	-408.5	-980.6	1,062.2	0.35	0.31	-4.37
5,390.0	1.80	229.10	5,243.8	-409.3	-981.4	1,063.3	1.29	-1.25	-9.37
5,422.0	1.90	230.30	5,275.8	-409.9	-982.2	1,064.3	0.34	0.31	3.75
5,453.0	2.50	209.50	5,306.8	-410.8	-983.0	1,065.3	3.19	1.94	-67.10
5,484.0	3.10	216.90	5,337.7	-412.1	-983.8	1,066.6	2.26	1.94	23.87
5,516.0	3.20	209.50	5,369.7	-413.6	-984.8	1,068.1	1.31	0.31	-23.12
5,548.0	2.90	202.10	5,401.6	-415.1	-985.5	1,069.3	1.55	-0.94	-23.12
5,580.0	2.70	187.60	5,433.6	-416.6	-985.9	1,070.3	2.29	-0.62	-45.31
5,611.0	2.40	182.40	5,464.6	-418.0	-986.0	1,071.0	1.22	-0.97	-16.77
5,643.0	2.30	167.70	5,496.5	-419.3	-985.9	1,071.4	1.90	-0.31	-45.94
5,675.0	2.10	161.60	5,528.5	-420.4	-985.6	1,071.5	0.96	-0.62	-19.06
5,706.0	1.50	139.10	5,559.5	-421.3	-985.1	1,071.4	2.96	-1.94	-72.58
5,738.0	1.20	105.90	5,591.5	-421.7	-984.6	1,071.1	2.57	-0.94	-103.75
5,769.0	1.00	89.30	5,622.5	-421.8	-984.0	1,070.6	1.21	-0.65	-53.55
5,801.0	0.80	147.50	5,654.5	-422.0	-983.6	1,070.3	2.79	-0.62	181.87
5,832.0	1.90	194.30	5,685.5	-422.6	-983.6	1,070.5	4.75	3.55	150.97
5,864.0	2.40	200.60	5,717.4	-423.8	-983.9	1,071.3	1.73	1.56	19.69
5,895.0	2.40	196.10	5,748.4	-425.0	-984.4	1,072.2	0.61	0.00	-14.52
5,927.0	2.80	199.40	5,780.4	-426.4	-984.8	1,073.1	1.33	1.25	10.31
5,959.0	3.90	205.30	5,812.3	-428.1	-985.5	1,074.5	3.60	3.44	18.44
5,991.0	4.00	202.30	5,844.3	-430.1	-986.4	1,076.1	0.72	0.31	-9.37
6,022.0	3.40	198.70	5,875.2	-432.0	-987.1	1,077.5	2.07	-1.94	-11.61
6,054.0	3.20	193.40	5,907.1	-433.8	-987.6	1,078.6	1.14	-0.62	-16.56
6,101.0	4.20	196.80	5,954.0	-436.7	-988.4	1,080.5	2.18	2.13	7.23
6,150.0	4.20	196.80	6,002.9	-440.1	-989.5	1,082.8	0.00	0.00	0.00
Projected Survey to TD - MM 25-31 PBHL									

Crescent Directional Drilling, LP

Survey Report

Company:	Patara Oil & Gas, LLC	**Local Co-ordinate Reference:**	Well Middle Mesa 25-31-29-24
Project:	San Juan County, UT	**TVD Reference:**	WELL @ 6748.0ft (Frontier #4 (12' KB))
Site:	Middle Mesa	**MD Reference:**	WELL @ 6748.0ft (Frontier #4 (12' KB))
Well:	Middle Mesa 25-31-29-24	**North Reference:**	True
Wellbore:	Frontier #4	**Survey Calculation Method:**	Minimum Curvature
Design:	Frontier #4	**Database:**	EDM 2003.16 Single User Db

Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
MM 25-31 PBHL	0.00	0.00	6,400.0	-411.1	-965.9	584,468.90	2,650,171.90	38° 15' 0.753 N	109° 14' 8.978 W
- survey misses target center by 398.9ft at 6150.0ft MD (6002.9 TVD, -440.1 N, -989.5 E)									
- Circle (radius 50.0)									
MM 25-31 Target 1	0.00	0.00	4,400.0	-411.1	-965.9	584,468.90	2,650,171.90	38° 15' 0.753 N	109° 14' 8.978 W
- survey misses target center by 27.4ft at 4546.0ft MD (4400.6 TVD, -384.9 N, -957.8 E)									
- Circle (radius 0.0)									

Survey Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates +N/-S (ft)	Local Coordinates +E/-W (ft)	Comment
6,150.0	6,002.9	-440.1	-989.5	Projected Survey to TD

Checked By: _____ Approved By: _____ Date: _____

CEMENT JOB REPORT

CUSTOMER	DATE	F.R. #	SERV. SUPV.
Patara Oil & Gas, LLC	30-JUL-11	1001840202	FRANCISCO P CASTILLO

LEASE & WELL NAME	LOCATION	COUNTY-PARISH-BLOCK
MIDDLE MESA FEDERAL #25-31-29-24 - API 430373	25-29S-24E	San Juan Utah

DISTRICT	DRILLING CONTRACTOR RIG #	TYPE OF JOB
Grand Junction	Frontier 4	Surface

SIZE & TYPE OF PLUGS	LIST-CSG-HARDWARE
8-5/8" Top Cem Plug, Nitrile cvr, Phe	Float Collar, Ball Valve, 8-5/8 - 8rd
	Float Shoe 8-5/8 - 8rd

MATERIALS FURNISHED BY BJ	SACKS OF CEMENT	SLURRY WGT PPG	SLURRY YLD FT^3	WATER GPS	PUMP TIME HR:MIN	Bbl SLURRY	Bbl MIX WATER
Fresh Water	0	8.34	0	0	00:00	30	
PremLite+.04#/skSF+.25#/skCF+2#/skKS+5%A10+5%SMS+1	406	11.6	2.81	16.15	03:17	205	157.60
TypeIII+.04#/skSF+1%CaCl2	125	14.2	1.47	7.35	01:37	33	22.04
Fresh Water	0	8.34	0	0	00:00	156	
					TOTAL	424	179.64

Available Mix Water 800 Bbl. Available Displ. Fluid 602 Bbl.

HOLE			TBG-CSG-D.P.					COLLAR DEPTHS		
SIZE	% EXCESS	DEPTH	SIZE	WGT.	TYPE	DEPTH	GRADE	SHOE	FLOAT	STAGE
12.25	20	2630	8.625	32	CSG	2660	J-55	2660	2612	0

LAST CASING				PKR-CMT RET-BR PL-LINER		PERF. DEPTH		TOP CONN		WELL FLUID	
SIZE	WGT	TYPE	DEPTH	BRAND & TYPE	DEPTH	TOP	BTM	SIZE	THREAD	TYPE	WGT.
16	65	CSG	60	NO PACKER		0	0	8.625	8RD	WATER BASED MU	9

DISPL. VOLUME		DISPL. FLUID		CAL. PSI	CAL. MAX PSI	OP. MAX	MAX TBG PSI		MAX CSG PSI		MIX WATER
VOLUME	UOM	TYPE	WGT.	BUMP PLUG	TO REV.	SQ. PSI	RATED	Operator	RATED	Operator	
156	BBLS	Fresh Water	8.34	1000	0	0	0	0	2860	2288	RIG TANK

Circulation Prior to Job

Circulated Well: Rig [X] BJ [ ] | Circulation Time: | Circulation Rate: BPM

Mud Density In: 9 LBS/GAL | Mud Density Out: 9 LBS/GAL | PV & YP Mud In: 72 | PV & YP Mud Out: 72

Gas Present: NO [X] YES [ ] | Units: | Solids Present at End of Circulation: NO [X] YES [ ]

Displacement And Mud Removal

Displaced By: Rig [ ] BJ [X] | Amount Bled Back After Job: .75 BBLS

Returns During Job: [ ] NONE [ ] PARTIAL [X] FULL | Method Used to Verify Returns: VISUAL

Cement Returns at Surface: [X] YES [ ] NO | Were Returns Planned at Surface: [ ] NO [X] YES

Pipe Movement: [ ] ROTATION [ ] RECIPROCATION [ ] NONE [ ] UNABLE DUE TO STUCK PIPE

Centralizers: [ ] NO [X] YES | Quantity: 35 | Type: [ ] BOW [ ] RIGID

Job Pumped Through: [ ] CHOKE MANIFOLD [ ] SQUEEZE MANIFOLD [X] MANIFOLD [ ] NO MANIFOLD

Plugs

Number of Attempts by BJ: | Competition: | Wiper Balls Used: [X] NO [ ] YES Quantity:

Plug Catcher Used: [X] NO [ ] YES | Parabow Used: [X] NO [ ] YES

Was There a Bottom: [X] NO [ ] YES | Top of Plug: FT | Bottom of Plug: FT

Squeezes (Update Original Treatment Report for Primary Job)

BLOCK SQUEEZE [ ] SHOE SQUEEZE [ ] TOP OF LINER SQUEEZE [ ] PLANNED [ ] UNPLANNED [ ]

Liner Packer: [X] NO [ ] YES | Bond Log: [X] NO [ ] YES | PSI Applied: | Fluid Weight: LBS/GAL

Casing Test (Update Original Treatment Report for Primary Job)

Casing Test Pressure: PSI With LBS/GAL Mud | Time Held: Hours Minutes

Shoe Test (Update Original Treatment Report for Primary Job)

Depth Drilled out of Shoe: FT | Target EMW: LBS/GAL | Actual EMW: LBS/GAL

Number of Times Tests Conducted: | Mud Weight When Test was Conducted: LBS/GAL

EXPLANATION: TROUBLE SETTING TOOL, RUNNING CSG, ETC. PRIOR TO CEMENTING: NONE

CEMENT JOB REPORT

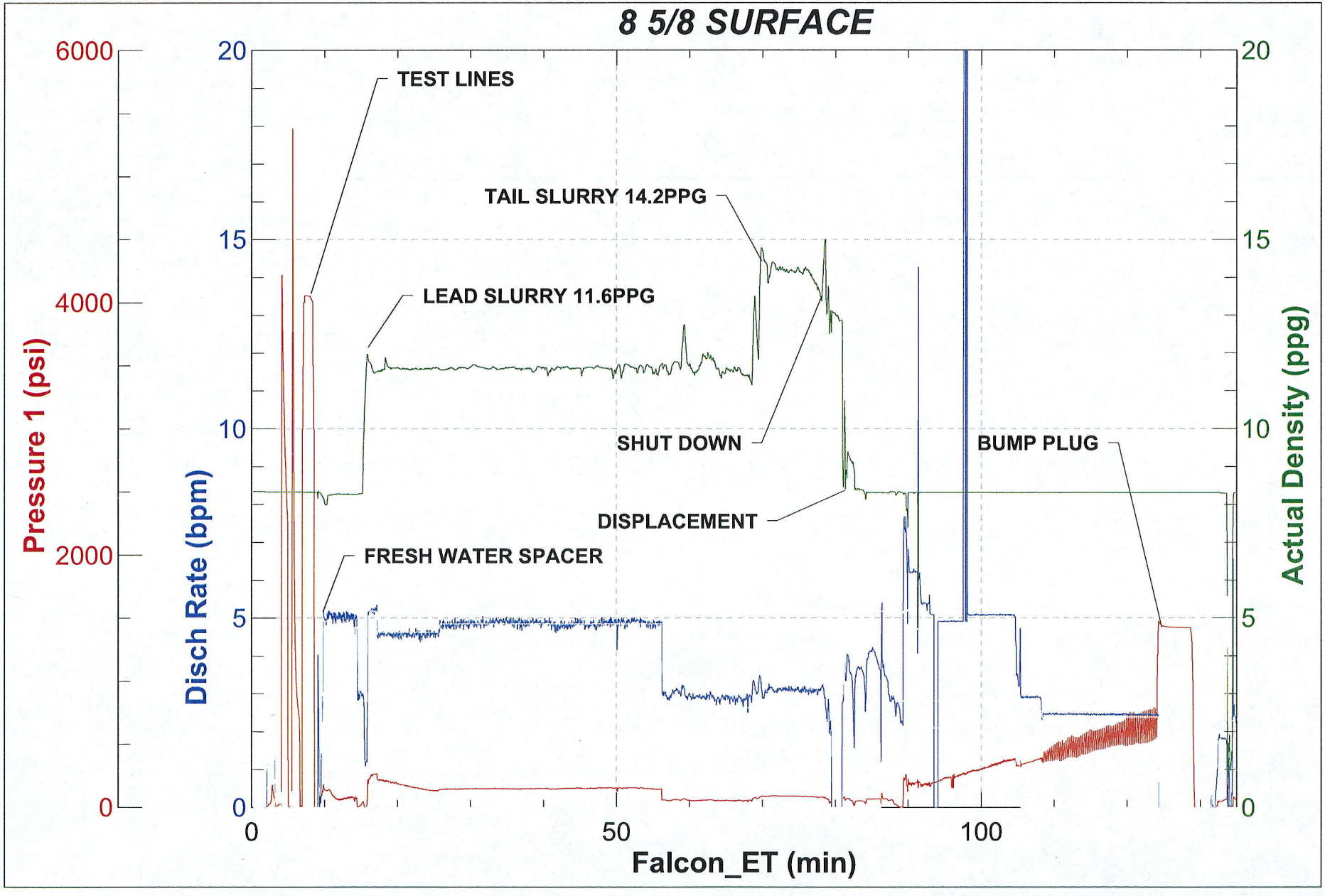
Problems Before Job (I.E. Running Casing, Circulating Well, ETC)

Problems During Job (I.E. Lost Returns, Equipment Failure, Bulk Delivery, Foaming, ETC)

Problems After Job (I.E. Gas at Surface, Float Equipment Failed, ETC)

PRESSURE/RATE DETAIL						EXPLANATION
TIME HR:MIN.	PRESSURE - PSI PIPE	PRESSURE - PSI ANNULUS	RATE BPM	Bbl. FLUID PUMPED	FLUID TYPE	SAFETY MEETING: BJ CREW [X] CO. REP. [ ]
						TEST LINES 4200 PSI
						CIRCULATING WELL - RIG [X] BJ [ ]
02:05	0	0	0	0	0	CONVOY SAFETY MEETING
02:20	0	0	0	0	0	LEAVE THE YARD
05:00	0	0	0	0	0	ARRIVE ON LOCATION
05:20	0	0	0	0	0	RIG UP SAFETY MEETING/RIG UP
13:20	0	0	0	0	0	PRE-JOB SAFETY MEETING
13:37	4200	0	0	0	0	TEST LINES
13:43	97	0	5	30	WATER	FRESH WATER SPACER
13:50	0	0	0	0	0	BATCH CEMENT SLURRY 11.6PPG
14:12	146	0	5	100	CEMENT	LEAD SLURRY
14:27	79	0	5	175	CEMENT	LEAD SLURRY
14:36	55	0	3	205	CEMENT	LEAD SLURRY
14:43	85	0	3	33	CEMENT	TAIL SLURRY
14:50	0	0	0	0	0	SHUT DOWN/DROP PLUG
14:51	0	0	0	0	0	BEGIN DISPLACEMENT
15:08	220	0	5	50	WATER	DISPLACEMENT
15:19	479	0	3	115	WATER	BEGAN TO CIRCULATE CEMENT TO SURFACE/TOTAL CEMENT CIRC. TO SURFACE 44BBLS
15:28	507	0	2.5	130	WATER	DISPACEMENT
15:40	1460	0	0	0	0	BUMP PLUG
15:45	0	0	0	0	0	CHECK FLOATS/FLOW BACK 1BBLS
16:20	0	0	0	0	0	RIG DOWN SAFETY MEETING/RIG DOWN
17:00	0	0	0	0	0	LEAVE LOCATION
21:00	0	0	0	0	0	ARRIVE AT THE YARD

BUMPED PLUG	PSI TO BUMP PLUG	TEST FLOAT EQUIP.	BBL.CMT RETURNS/ REVERSED	TOTAL BBL. PUMPED	PSI LEFT ON CSG	SPOT TOP OUT CEMENT	Service Supervisor Signature:
[Y] N	1000	[Y] N	44	417	0	Y [N]	


8 5/8 SURFACE
TEST LINES
TAIL SLURRY 14.2PPG
LEAD SLURRY 11.6PPG
SHUT DOWN
BUMP PLUG
DISPLACEMENT
FRESH WATER SPACER
Pressure 1 (psi)
Disch Rate (bpm)
Actual Density (ppg)
Falcon_ET (min)
6000
4000
2000
0
20
15
10
5
0
50
100

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-76053

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: MIDDLE MESA

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: MIDDLE MESA FED 25-31-29-24

2. NAME OF OPERATOR: PATARA OIL & GAS, LLC

9. API NUMBER: 43037319030000

3. ADDRESS OF OPERATOR: 600 17th Street Ste 1900S , Denver, CO, 80202

PHONE NUMBER: 303 825-0685 Ext

9. FIELD and POOL or WILDCAT: UNDESIGNATED

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2361 FSL 0900 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSW Section: 25 Township: 29.0S Range: 24.0E Meridian: S

COUNTY: SAN JUAN

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
✓ SUBSEQUENT REPORT Date of Work Completion: 12/6/2011	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	✓ OTHER	OTHER: Site security

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Patara Oil & Gas has completed the placement of surface production equipment on the subject well, and the well is now, and/or has been, producing a continuous flow of hydrocarbons. Clean produced water is being hauled via truck to the disposal well located at Patara's Lisbon Gas Plant in La Sal, UT. Dirty produced water is being hauled via truck to the Ream's Construction 80 Ponds Treatment and Recycling Facility located in Na[illegible] CO. Any produced oil from the well is trucked off lease to a sales point and is sold to market. Please retain the attached site security diagrams and water haul maps for your records. Please contact Christopher Noonan with Patara with any questions or concerns.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
12/8/2011

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Christopher Noonan	303 563-5377	Production Technician
SIGNATURE N/A		**DATE** 12/6/2011

RECEIVED Dec. 06, 2011

PATARA
OIL & GAS LLC

Patara Oil & Gas USA, Inc.
Site Security Diagram
Wellsite: Middle Mesa 26-34
NENE Sec. 15, T30S, R25E
San Juan County, Utah
API#
Lease#
Date Drawn:
Filename: MM 26-34 SSD.dwg

NOTE:

1. DRAWING IS NOT TO SCALE

2. ACTUAL PHYSICAL LOCATION OF UNDERGROUND FLOW LINES MAY NOT BE ACCURATELY REPRESENTED ON THIS DRAWING. MAKE ONE CALL AND USE PIPE LOCATOR PRIOR TO DIGGING.

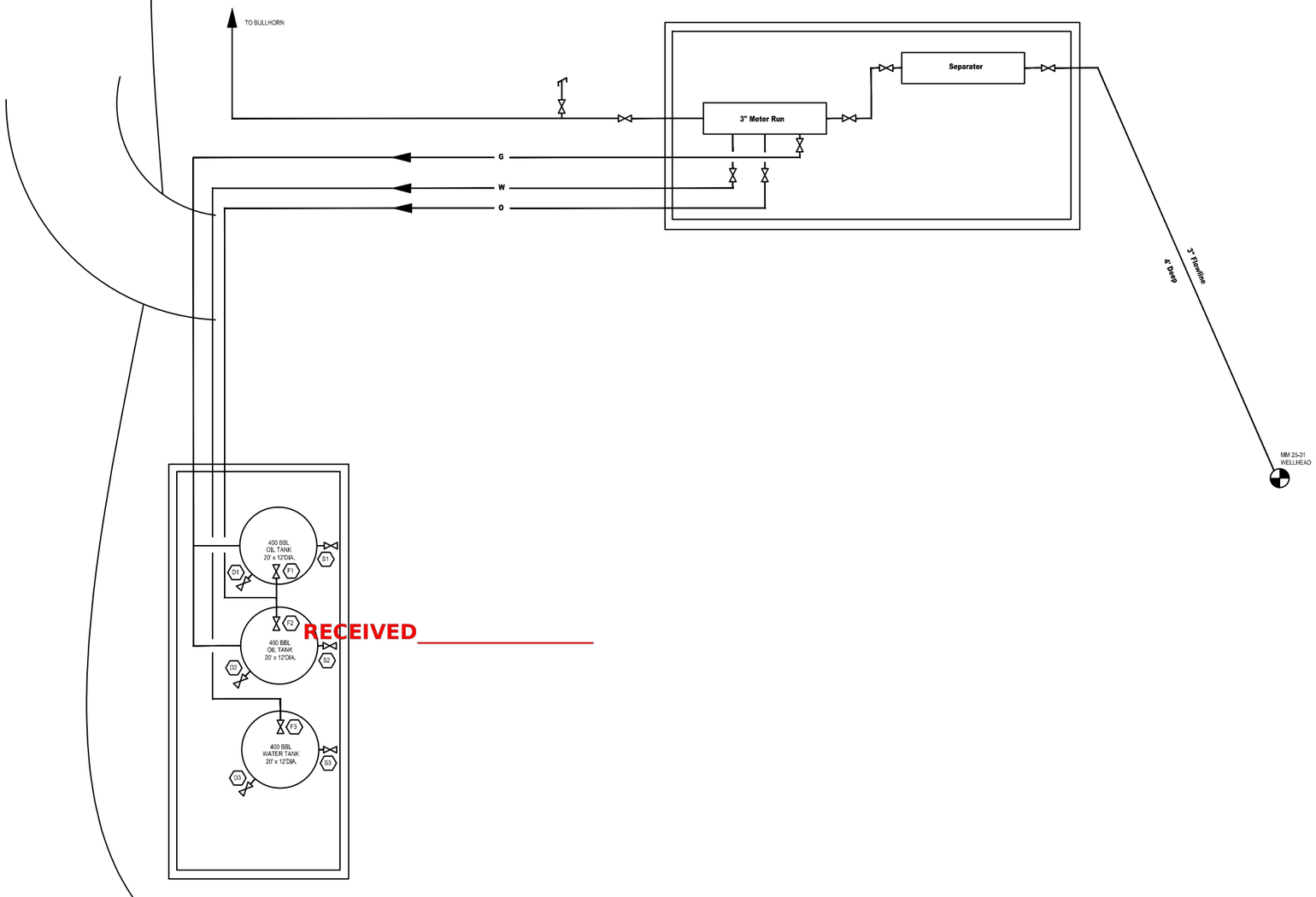
THIS LEASE IS SUBJECT TO THE SITE SECURITY PLAN.
THE PLAN IS LOCATED AT:

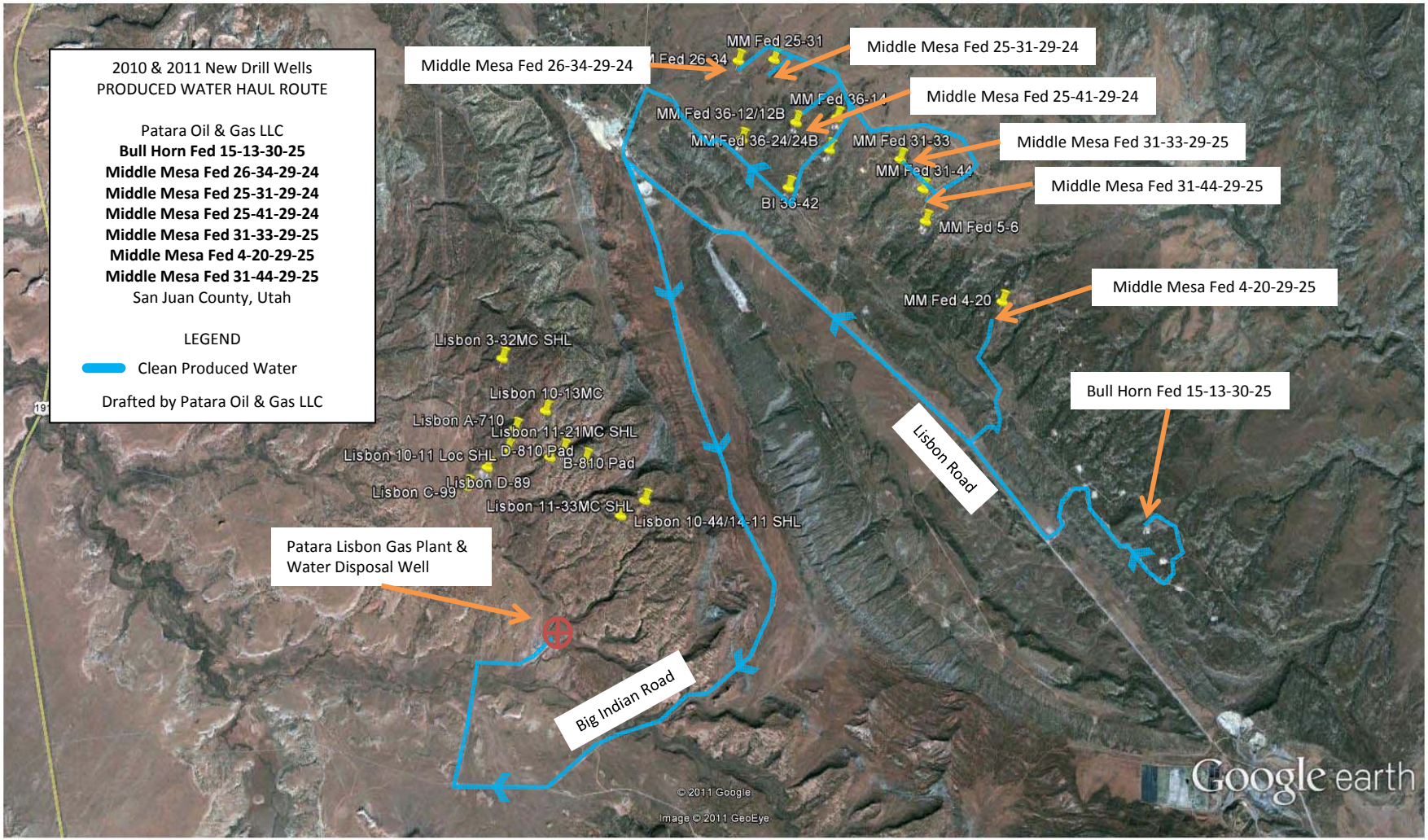
Patara Oil and Gas USA, Inc.
Lisbon Plant
7 Rankine Road
La Sal, Utah 84530

GENERAL SEALING OF VALVES, SALES BY TANK GAUGING

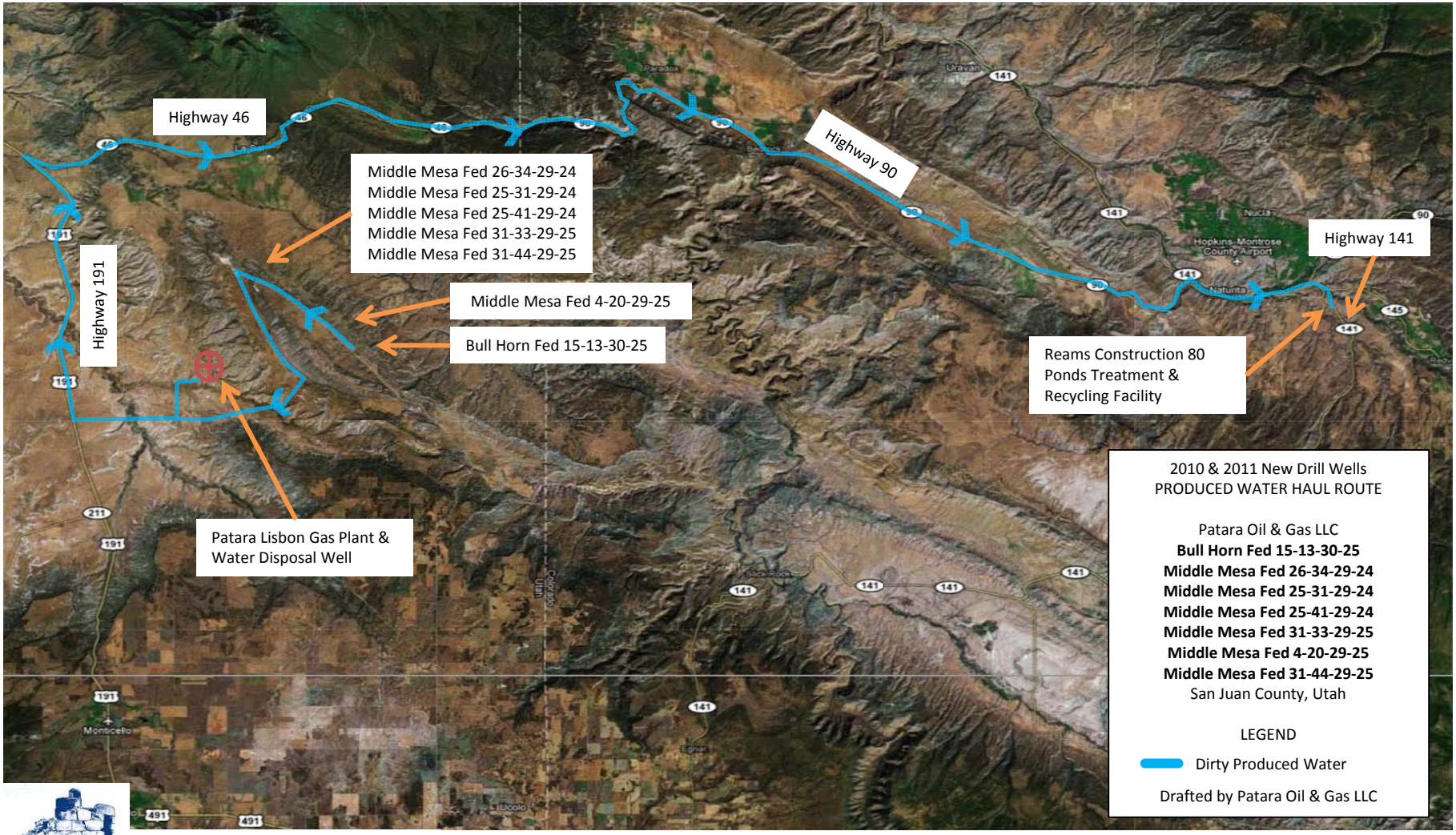
Production Phase: All drain valves, D1 & D2, and sales valves, S1 & S2, will be sealed closed during production. D3 will be closed, but not sealed.
Sales Phase: Drain valves D1 & D2, and fill valves F1 & F2, will be sealed closed during sales. D3 will be closed, but not sealed. The sales valves S1 & S2, will be closed and re-sealed after completion of sales activities.
Draining Phase (from drain valves): Sales valves, S1 & S2, will be sealed closed during draining. The drain valves D1 & D2 will be closed and re-sealed after completion of draining activities. D3 will be closed after completion of draining activities, but not sealed.
Draining Phase (from sales valves): Drain valves, D1 & D2, will be sealed closed during draining. D3 will be closed, but not sealed. The sales valves S1 & S2 will be closed and re-sealed after completion of draining activities.

Site diagram and plan are available during normal working hours.





Patara Oil & Gas LLC



Patara Oil & Gas LLC

RECEIVED Dec. 06, 2011

Division of Oil, Gas and Mining

OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING
CDW

X - Change of Operator (Well Sold) Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective: **11/1/2012**

FROM: (Old Operator):	**TO:** (New Operator):
N3670- Patara Oil & Gas, LLC	N3645- CCI Paradox Upstream, LLC
600 17th Street, Suite 1900S	600 17th Street, Suite 1900S
Denver, CO 80202	Denver, CO 80202
Phone: 1 (303) 825-0685	Phone: 1 (303) 825-0685

CA No. **Unit:** **Middle Mesa**

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
See Attached List								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 1/23/2013
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 2/7/2013
3. The new company was checked on the **Department of Commerce, Division of Corporations Database on:** 2/12/2013
4a. Is the new operator registered in the State of Utah: _____ Business Number: 8523441-0161
5a. (R649-9-2)Waste Management Plan has been received on: Not Yet
5b. Inspections of LA PA state/fee well sites complete on: N/A
5c. Reports current for Production/Disposition & Sundries on: 2/12/2013
6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM Not Yet BIA N/A
7. **Federal and Indian Units:**
   The BLM or BIA has approved the successor of unit operator for wells listed on: Not Yet
8. **Federal and Indian Communization Agreements ("CA"):**
   The BLM or BIA has approved the operator for all wells listed within a CA on: N/A
9. **Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to **Inject,** for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database on:** 2/12/2013
2. Changes have been entered on the **Monthly Operator Change Spread Sheet on:** 2/12/2013
3. Bond information entered in RBDMS on: 2/7/2013
4. Fee/State wells attached to bond in RBDMS on: 2/12/2013
5. Injection Projects to new operator in RBDMS on: N/A
6. Receipt of Acceptance of Drilling Procedures for APD/New on: 2/4/2013

BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: 105865919
2. Indian well(s) covered by Bond Number: N/A
3a. (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number 105865922
3b. The **FORMER** operator has requested a release of liability from their bond on: N/A

LEASE INTEREST OWNER NOTIFICATION:

4. (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

COMMENTS:

Patara Oil Gas, LLC (N3670) to CCI Paradox Upstream, LLC (N3945
Effective 11/1/2012
Middle Mesa Unit

Well Name	Section	TWN	RNG	API Number	Entity	Lease Type	Well Type	Well Status
MIDDLE MESA FED 30-41-29-25	30	290S	250E	4303731893		Federal	GW	APD
MIDDLE MESA FED 25-43-29-24	25	290S	240E	4303731901		Federal	GW	APD
MIDDLE MESA FED 26-23-29-24	26	290S	240E	4303731905		Federal	GW	APD
MIDDLE MESA FED 31-22-29-25	31	290S	250E	4303731909		Federal	GW	APD
MIDDLE MESA FED 31-11-29-25	31	290S	250E	4303731910		Federal	GW	APD
Middle Mesa Fed 31-42-29-25	31	290S	250E	4303750021		Federal	GW	APD
Middle Mesa Federal 5-8-30-25	05	300S	250E	4303750026		Federal	GW	APD
BIG INDIAN 35-24	35	290S	240E	4303731829	14409	Federal	GW	P
MIDDLE MESA ST 36-14-29-24	36	290S	240E	4303731838	15076	State	GW	P
MIDDLE MESA FED 5-6-30-25	05	300S	250E	4303731853	16375	Federal	GW	P
MIDDLE MESA FED 31-31-29-25	31	290S	250E	4303731854	15076	Federal	GW	P
MIDDLE MESA ST 36-12-29-24	36	290S	240E	4303731855	15076	State	GW	P
MIDDLE MESA ST 36-24-29-24	36	290S	240E	4303731856	15076	State	GW	P
MIDDLE MESA ST 36-12B-29-24	36	290S	240E	4303731877	15076	State	GW	P
MIDDLE MESA ST 36-24B-29-24	36	290S	240E	4303731878	15076	State	GW	P
MIDDLE MESA FED 5-10-30-25	05	300S	250E	4303731897	18802	Federal	GW	P
MIDDLE MESA FED 25-41-29-24	25	290S	240E	4303731902	17717	Federal	GW	P
MIDDLE MESA FED 25-31-29-24	25	290S	240E	4303731903	18159	Federal	GW	P
MIDDLE MESA FED 26-34-29-24	26	290S	240E	4303731904	18118	Federal	GW	P
MIDDLE MESA FED 31-44-29-25	31	290S	250E	4303731906	18213	Federal	GW	P
MIDDLE MESA FED 31-33-29-25	31	290S	250E	4303731907	18170	Federal	GW	P
MIDDLE MESA FED 4-20-30-25	04	300S	250E	4303750010	18193	Federal	GW	P

RECEIVED

JAN 2 3 2013

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: n/a	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a	
7. UNIT or CA AGREEMENT NAME: n/a	
1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ OTHER Multiple Well Transfer	8. WELL NAME and NUMBER: Multiple
2. NAME OF OPERATOR: Patara Oil & Gas LLC N3670	9. API NUMBER: n/a
3. ADDRESS OF OPERATOR: 600 17th St. Ste. 1900S CITY Denver STATE CO ZIP 80202	PHONE NUMBER: (303) 825-0685 / 10. FIELD AND POOL, OR WILDCAT: n/a
4. LOCATION OF WELL: FOOTAGES AT SURFACE: n/a	COUNTY: San Juan, UT
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:	STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☑ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion: 11/1/2012	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Patara Oil & Gas LLC (Patara) hereby requests the transfer of operating rights and responsibilities for the subject wells, listed herein, to the new owner/operator of the assets, being effective November 1, 2012; CCI Paradox Upstream LLC (CCI).

Please see Exhibit I for a detailed list of upstream assets considered for transfer. Patara midstream assets will be transferred via a separate letter, enclosed.

NAME (PLEASE PRINT) Christopher A. Noonan TITLE Regulations & Production Reporting Supervisor

SIGNATURE Christopher A. Noonan DATE 1/18/13

(This space for State use only)

APPROVED

FEB 1 2 2013

DIV. OIL GAS & MINING

BY: Rachel Medina

(5/2000) (See Instructions on Reverse Side)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: n/a	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a	
7. UNIT or CA AGREEMENT NAME: n/a	
1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ OTHER Multiple Well Transfer	8. WELL NAME and NUMBER: Multiple
2. NAME OF OPERATOR: CCI Paradox Upstream LLC N3945	9. API NUMBER: n/a
3. ADDRESS OF OPERATOR: 600 17th St. Ste. 1900S CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 825-0685	10. FIELD AND POOL, OR WILDCAT: n/a
4. LOCATION OF WELL FOOTAGES AT SURFACE: n/a QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:	COUNTY: San Juan, UT STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start:	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☑ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 11/1/2012	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

CCI Paradox Upstream LLC (CCI), hereby requests the transfer of operating rights and responsibilities for the subject wells, listed herein, to the new owner/operator of the assets, CCI, being effective November 1, 2012. The assets were previously operated by Patara Oil & Gas LLC (Patara) prior to sale.

Please see Exhibit I for a detailed list of upstream assets considered for transfer. Patara midstream assets will be transferred via a separate letter, enclosed.

Bond Number:
BLM: 105865919
State: 105865922

NAME (PLEASE PRINT) Christopher A. Noonan TITLE Regulations & Production Reporting Supervisor

SIGNATURE [signature] DATE 2/6/2012

(This space for State use only)

APPROVED

FEB 12 2013

DIV. OIL GAS & MINING

BY: Rachel Medina

RECEIVED

FEB 07 2013

Div. of Oil, Gas & Mining

(5/2000) (See Instructions on Reverse Side)

Exhibit I

BLM Form 3160-5 Transfer of Operator
Utah Form 9 Transfer of Operator

State of Utah Upstream Assets

01/09/2013

API Well Number	Operator	Well Name	Well Status	Well Type	Field Name	County	Qtr/Qtr	Section	Township-Range)	
43-037-15049-00-00	PATARA OIL & GAS LLC	LISBON D-616	Shut-In	Oil Well	LISBON	SAN JUAN	NENE	16	30S-24E	1
43-037-15123-00-00	PATARA OIL & GAS LLC	LISBON B-615	Producing	Oil Well	LISBON	SAN JUAN	NENW	15	30S-24E	2
43-037-15769-00-00	PATARA OIL & GAS LLC	LISBON B912	Shut-In	Oil Well	LISBON	SAN JUAN	SESW	12	30S-24E	3
43-037-16219-00-00	PATARA OIL & GAS LLC	BIG INDIAN UNIT 1	Shut-In	Oil Well	BIG INDIAN (MADISON)	SAN JUAN	SENE	33	29S-24E	4
43-037-16221-00-00	PATARA OIL & GAS LLC	BIG INDIAN 4	Shut-In	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWSW	14	30S-25E	5
43-037-16237-00-00	PATARA OIL & GAS LLC	LISBON A-715	Inactive	Water Disposal Well	LISBON	SAN JUAN	SWNW	15	30S-24E	6
43-037-16240-00-00	PATARA OIL & GAS LLC	LISBON B-613	Shut-In	Oil Well	LISBON	SAN JUAN	NENW	13	30S-24E	7
43-037-16242-00-00	PATARA OIL & GAS LLC	LISBON B-616	Shut-In	Oil Well	LISBON	SAN JUAN	NESW	16	30S-24E	8
43-037-16244-00-00	PATARA OIL & GAS LLC	BELCO ST 4 (LISBON B-816)	Active	Water Disposal Well	LISBON	SAN JUAN	NESW	16	30S-24E	9
43-037-16245-00-00	PATARA OIL & GAS LLC	LISBON C-69	Shut-In	Oil Well	LISBON	SAN JUAN	NWNE	9	30S-24E	10

43-037-16247-00-00	PATARA OIL & GAS LLC	LISBON C-94	Shut-In	Oil Well	LISBON	SAN JUAN	SWSE	4	30S-24E
43-037-16250-00-00	PATARA OIL & GAS LLC	LISBON UNIT D-84	Shut-In	Oil Well	LISBON	SAN JUAN	NESE	4	30S-24E
43-037-16251-00-00	PATARA OIL & GAS LLC	LISBON D-89	Shut-In	Oil Well	LISBON	SAN JUAN	NESE	9	30S-24E
43-037-16469-00-00	PATARA OIL & GAS LLC	LISBON U B-610	Producing	Oil Well	LISBON	SAN JUAN	NENW	10	30S-24E
43-037-16471-00-00	PATARA OIL & GAS LLC	NW LISBON USA A-2 (D-810)	Producing	Gas Well	LISBON	SAN JUAN	NESE	10	30S-24E
43-037-30054-00-00	PATARA OIL & GAS LLC	LISBON B-84	Shut-In	Oil Well	LISBON	SAN JUAN	NESW	4	30S-24E
43-037-30082-00-00	PATARA OIL & GAS LLC	LISBON B-814	Active	Water Disposal Well	LISBON	SAN JUAN	NESW	14	30S-24E
43-037-30317-00-00	PATARA OIL & GAS LLC	FEDERAL 15-25	Shut-In	Gas Well	WILSON CANYON	SAN JUAN	SWSE	25	29S-23E
43-037-30693-00-00	PATARA OIL & GAS LLC	LISBON C-99	Shut-In	Oil Well	LISBON	SAN JUAN	SWSE	9	30S-24E
43-037-30694-00-00	PATARA OIL & GAS LLC	LISBON U D-610	Shut-In	Gas Well	LISBON	SAN JUAN	NENE	10	30S-24E
43-037-30695-00-00	PATARA OIL & GAS LLC	LISBON B-94	Shut-In	Oil Well	LISBON	SAN JUAN	SESW	4	30S-24E
43-037-31014-00-00	PATARA OIL & GAS LLC	LISBON UNIT A-911	Producing	Gas Well	LISBON	SAN JUAN	SWSW	11	30S-24E
43-037-31034-00-00	PATARA OIL & GAS LLC	LISBON UNIT D-716	Shut-In	Oil Well	LISBON	SAN JUAN	SENE	16	30S-24E
43-037-31323-00-00	PATARA OIL & GAS LLC	LISBON C-910	Shut-In	Oil Well	LISBON	SAN JUAN	SWSE	10	30S-24E
43-037-31351-00-00	PATARA OIL & GAS LLC	LISBON B-614A	Shut-In	Oil Well	LISBON	SAN JUAN	NENW	14	30S-24E
43-037-31433-00-00	PATARA OIL & GAS LLC	LISBON B-810	Producing	Oil Well	LISBON	SAN JUAN	NESW	10	30S-24E

43-037-31829-00-00	PATARA OIL & GAS LLC	BIG INDIAN 35-24	Shut-In	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SENE	35	29S-24E 7
43-037-31831-00-00	PATARA OIL & GAS LLC	BULL HORN U 10-43	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWSE	10	30S-25E 8
43-037-31838-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-14-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NENE	36	29S-24E 9
43-037-31843-00-00	PATARA OIL & GAS LLC	BULL HORN FED 9-14-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NENE	9	30S-25E 30
43-037-31848-00-00	PATARA OIL & GAS LLC	BULL HORN FED 15-14-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NENE	15	30S-25E 1
43-037-31849-00-00	PATARA OIL & GAS LLC	BULL HORN FED 10-21-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NWSW	10	30S-25E 2
43-037-31850-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 14-21-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWNW	14	30S-25E 3
43-037-31853-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 5-6-30-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	LOT6	5	30S-25E 4
43-037-31854-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-31-29-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NWSW	31	29S-25E 5
43-037-31855-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-12-29-24	Shut-In	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NENW	36	29S-24E 6
43-037-31856-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-24-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SENE	36	29S-24E 7
43-037-31859-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 15-24-30-25	Shut-In	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWNW	14	30S-25E 8
43-037-31860-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 14-42-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SESW	14	30S-25E 9
43-037-31861-00-00	PATARA OIL & GAS LLC	BULL HORN FED 10-42-30-25	Shut-In	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SESW	10	30S-25E 40
43-037-31864-00-00	PATARA OIL & GAS LLC	BULL HORN FED 10-31-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NWSW	10	30S-25E 1
43-037-31877-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-12B-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NENW	36	29S-24E 2

43-037-31878-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-24B-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SENE	36	29S-24E 3
43-037-31883-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 15-24B-30-25	Shut-In	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWNW	14	30S-25E 4
43-037-31884-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 23-13B-30-25	Approved permit (APD); not yet spudded	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NWNE	23	5 30S-25E
43-037-31885-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 23-13-30-25	Approved permit (APD); not yet spudded	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NWNE	23	6 30S-25E
43-037-31891-00-00	PATARA OIL & GAS LLC	BULL HORN FED 15-13-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NENE	15	30S-25E 7
43-037-31893-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 30-41-29-25	Approved permit (APD); not yet spudded	Gas Well	UNDESIGNATED	SAN JUAN	SWSW	30	8 29S-25E
43-037-31897-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 5-10-30-25	Spudded (Drilling commenced: Not yet completed)	Gas Well	SOUTH PINE RIDGE	SAN JUAN	LT10	5	9 30S-25E
43-037-31901-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 25-43-29-24	Approved permit (APD); not yet spudded	Gas Well	UNDESIGNATED	SAN JUAN	SWSE	25	30 29S-24E
43-037-31902-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 25-41-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SWSW	25	29S-24E 1
43-037-31903-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 25-31-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NWSW	25	29S-24E 2
43-037-31904-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 26-34-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NESW	26	29S-24E 3

43-037-31905-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 26-23-29-24	Approved permit (APD); not yet spudded	Gas Well	UNDESIGNATED	SAN JUAN	SWNE	26	29S-24E
43-037-31906-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-44-29-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SESE	31	29S-25E
43-037-31907-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-33-29-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NWSE	31	29S-25E
43-037-31909-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-22-29-25	Approved permit (APD); not yet spudded	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SENW	31	29S-25E
43-037-31910-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-11-29-25	Approved permit (APD); not yet spudded	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NWNW	31	29S-25E
43-037-50008-00-00	PATARA OIL & GAS LLC	CISCO STATE 36-13	Temporarily-Abandoned	Gas Well	WILDCAT	SAN JUAN	NWNE	36	31S-24E
43-037-50010-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 4-20-30-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SWNW	4	30S-25E
43-037-50012-00-00	PATARA OIL & GAS LLC	Lisbon 11-32MC	Returned APD (Unapproved)	Oil Well	UNDESIGNATED	SAN JUAN	SWNE	11	30S-24E
43-037-50013-00-00	PATARA OIL & GAS LLC	Lisbon 14-11MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	NWNW	14	30S-24E
43-037-50014-00-00	PATARA OIL & GAS LLC	Lisbon 10-44MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	NWNW	14	30S-24E

43-037-50015-00-00	PATARA OIL & GAS LLC	Lisbon 3-32MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	NESE	4	30S-24E
43-037-50016-00-00	PATARA OIL & GAS LLC	Lisbon 11-33MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	NENW	14	30S-24E
43-037-50017-00-00	PATARA OIL & GAS LLC	Lisbon 11-21MC	Approved permit (APD); not yet spudded	Gas Well	LISBON	SAN JUAN	NWSE	10	30S-24E
43-037-50018-00-00	PATARA OIL & GAS LLC	Lisbon 3-43MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	SESE	3	30S-24E
43-037-50019-00-00	PATARA OIL & GAS LLC	Lisbon 10-33MC	Spudded (Drilling commenced: Not yet completed)	Oil Well	LISBON	SAN JUAN	NWSE	10	30S-24E
43-037-50021-00-00	PATARA OIL & GAS LLC	Middle Mesa Fed 31-42-29-25	Approved permit (APD); not yet spudded	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SESW	31	29S-25E
43-037-50026-00-00	PATARA OIL & GAS LLC	Middle Mesa Federal 5-8-30-25	Approved permit (APD); not yet spudded	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NENE	5	30S-25E

Sundry Number: 39458 API Well Number: 43037319030000

FEDERAL APPROVAL OF THIS ACTION IS NECESSARY

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER:
UTU-76053

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:
MIDDLE MESA

1. TYPE OF WELL
Gas Well

8. WELL NAME and NUMBER:
MIDDLE MESA FED 25-31-29-24

2. NAME OF OPERATOR:
CCI PARADOX UPSTREAM, LLC

9. API NUMBER:
43037319030000

3. ADDRESS OF OPERATOR:
600 17th Street, Suite 1900S , Denver, CO, 80202

PHONE NUMBER:
303 563-5364 Ext

9. FIELD and POOL or WILDCAT:
SOUTH PINE RIDGE

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
2361 FSL 0900 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: NWSW Section: 25 Township: 29.0S Range: 24.0E Meridian: S

COUNTY:
SAN JUAN

STATE:
UTAH

11.
CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 7/12/2013	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ FRACTURE TREAT	✓ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

CCI intends to set a surface pumping unit & associated equipment on this well to assist with static water build-up in the wellbore. The company anticipate to begin construction within 2 weeks. No surface disturbance will occur outside of the existing wellpad. The unit will be painted Juniper Green per the approved APD. A hospital grade muffler will be installed on the exhaust of the gas driven engine to minimize noise impact. Construction activities will last approximately one week, the well will then be returned to sales flowing to the Lisbon plant. Thank you.

Accepted by the Utah Division of Oil, Gas and Mining

Date: July 03, 2013

By: Dark K Quist

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Christopher Noonan	303 563-5377	Regulations Supervisor
SIGNATURE		**DATE**
N/A		6/28/2013

RECEIVED: Jun. 28, 2013

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
440 West 200 South, Suite 500
Salt Lake City, UT 84101
http://www.blm.gov/ut/st/en.html

FEB 0 6 2015

RECEIVED
FEB 11 2015
DIV. OF OIL, GAS & MINING

IN REPLY REFER TO:
3180 (UTU82680A)
UT-922200

Ms. Kelsey Silipo
CCI Paradox Upstream, LLC
600 17th Street, Suite 1900S
Denver, Colorado 80202

Re: 5th Revision of the Hermosa Group PA
Middle Mesa Unit, San Juan County, Utah

Dear Ms. Silipo:

The 5th Revision of the Hermosa Group Participating Area (PA), Middle Mesa Unit, CRS No. UTU82680A, San Juan County, Utah, is hereby approved effective as of August 1, 2011 (the first of the month Well No. 26-34-29-24, API No. 43-037-31904, located in NE¼SE¼, of Section 26, Township 29 South, Range 24 East, Federal Lease No. UTU76053 had actual sales) pursuant to Section 11 of the Middle Mesa Unit Agreement.

This revision results in the addition of 200.00 acres to the 4th Revsion of the Honaker Trail Particpating Area for a total of 739.68 acres and is based upon the completion in the Honaker Trail and Ismay formations of Well No. 31-44-29-25, API No. 43-037-31906, located in SE¼SE¼, of Section 31, Township 29 South, Range 25 East, Federal Lease No. UTU76335 and the completion in the Honaker Trail formation of Well No. 26-34-29-24, API No. 43-037-31904, located in NE¼SE¼, of Section 26, Township 29 South, Range 24 East, Federal Lease No. UTU76053. The participating area now covers the entire Hermosa Group. Both wells are capable of producing unitized substances in paying quantities.

The following wells should be reported to the Hermosa Group Participating Area effective August 1, 2011.

API	WELL NAME	Surface Location				LEASE
4303731838	36-14-29-24	0756 FNL 0760 FEL	36	T29.0S	R24.0E	ML-37067
4303731853	5-6-30-25	1002 FNL 2284 FWL	05	T30.0S	R25.0E	UTU-84218
4303731854	31-31-29-25	2126 FSL 0810 FWL	31	T29.0S	R25.0E	UTU-84217
4303731855	36-12-29-24	1097 FNL 2216 FWL	36	T29.0S	R24.0E	ST-UT-37067
4303731856	36-24-29-24	2569 FNL 1183 FEL	36	T29.0S	R24.0E	ML-37067
4303731877	36-12B-29-24	1105 FNL 2228 FWL	36	T29.0S	R24.0E	ST-UT-37067
4303731878	36-24B-29-24	2562 FNL 1172 FEL	36	T29.0S	R24.0E	ST-UT-37067
4303731902	25-41-29-24	0360 FSL 0960 FWL	25	T29.0S	R24.0E	UTU-76053
4303731903	25-31-29-24	2361 FSL 0900 FWL	25	T29.0S	R24.0E	UTU-76053
4303731904	26-34-29-24	2011 FSL 0789 FEL	26	T29.0S	R24.0E	UTU-76053
4303731906	31-44-29-25	0587 FSL 1207 FEL	31	T29.0S	R25.0E	UTU-76335
4303731907	31-33-29-25	1873 FSL 1795 FEL	31	T29.0S	R25.0E	UTU-76335
4303750021	31-42-29-25	0557 FSL 2344 FWL	31	T29.0S	R25.0E	UTU-84217

For production and accounting reporting purposes, all submissions pertaining to the Hermosa Group PA shall refer to UTU82680A.

Copies of the approved request are being distributed to the appropriate agencies and one copy is returned herewith. Please advise all interested parties of the approval of the 5th Revision of the Hermosa Group PA, Middle Mesa Unit, and its effective date.

Please direct any questions concerning this approval to Judy Nordstrom of this office at (801) 539-4108.

Sincerely,

Roger L Bankert

Roger L. Bankert
Chief, Branch of Minerals

Enclosure

cc: UDOGM
SITLA
ONRR w/Exhibit B (Attn: Curtis Link)
BLM FOM - Moab w/enclosure

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
440 West 200 South, Suite 500
Salt Lake City, UT 84101-1345
http://www.blm.gov/ut/st/en.html

IN REPLY REFER TO:
3180 (UTU82680X)
UT-922000

RECEIVED
APR 28 2015
MAY 01 2015
DIV. OF OIL, GAS & MINING

Ms. Kelsey Silipo
CCI Paradox Upstream, LLC N3945
600 17th Street, Suite 1900S
Denver, Colorado 80202

Re: Automatic Contraction
Middle Mesa Unit
San Juan County, Utah

Dear Ms. Silipo:

Your letter of April 13, 2015, describes the lands automatically eliminated effective October 1, 2013, from the Middle Mesa Unit Area, located in San Juan County, Utah, pursuant to Section 2(e) of the unit agreement and requests our concurrence. The lands you have described contain 8,894.57 acres more or less, and constitute all legal subdivisions, no parts of which are included in the 5th Revision of the Hermosa Group Participating Area and the Initial Hermosa Participating Area "B". As a result of the automatic contraction, the unit is reduced to 899.68 acres.

The following Federal Leases are entirely eliminated from the unit area:

UTU16577	UTU 78735
UTU76327	UTU 80058
UTU76776	UTU 84215
UTU77076	UTU84216
UTU77077	UTU87212
UTU77372	UTU87222
UTU77539	UTU88837*

*Indicates non-committed lease

The following Federal Leases are partially eliminated from the unit area.

UTU84217
UTU84218
UTU76053
UTU76335
UTU77538

You have complied with the requirements of Section 2(e), provided you promptly notify all interested parties.

If you have any questions, please contact Judy Nordstrom of this office at (801) 539-4108.

Sincerely,

Ruby J. Hammond

for Roger L. Bankert
Chief, Branch of Minerals

Enclosure

cc: UDOGM
SITLA
ONRR w/Exhibit "B" (Attn: Curtis Link)
BLM Field Office Manager – Moab (UTY01) w/enclosure

Middle Mesa Unit Contraction
Effective 4/30/2015

Well Name	Section	TWN	RNG	API Number	Type	Status
BIG INDIAN 35-24	35	290S	240E	4303731829	GW	P
MIDDLE MESA FED 26-34-29-24	26	290S	240E	4303731904	GW	P
MIDDLE MESA FED 25-31-29-24	25	290S	240E	4303731903	GW	P
MIDDLE MESA FED 31-33-29-25	31	290S	250E	4303731907	GW	P
MIDDLE MESA FED 4-20-30-25	4	300S	250E	4303750010	GW	P
MIDDLE MESA FED 31-44-29-25	31	290S	250E	4303731906	GW	P
MIDDLE MESA FED 5-10-30-25	5	300S	250E	4303731897	GW	P
MIDDLE MESA FED 26-23-29-24	26	290S	240E	4303731905	GW	P
MIDDLE MESA FED 31-22-29-25	31	290S	250E	4303731909	GW	APD